metro

Notice of 2014 Annual General Meeting of Shareholders and Management Proxy Circular

Our Annual General Meeting of Shareholders will be held at 11:00 a.m. (Eastern time) on Tuesday, January 28, 2014 at the Centre Mont-Royal, 2200 Mansfield Street, Montréal, Quebec.

As a shareholder of METRO INC., you may exercise the voting rights attached to your shares by proxy or in person at the meeting.

Your vote is important.

This document sets forth who is entitled to vote, the matters upon which you will be asked to vote and how to exercise your shareholder voting rights. Please read it carefully.

Notice of Annual General Meeting of Shareholders

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of METRO INC. (the "Corporation") will be held at the Centre Mont-Royal located at 2200 Mansfield Street, Montréal, Quebec, on January 28, 2014 at 11:00 a.m. (Eastern time), for the following purposes :

1. receiving the consolidated financial statements of the Corporation for the financial year ended September 28, 2013, and the report of the independent auditors thereon;

2. electing directors;

3. appointing auditors;

4. considering and, if deemed appropriate, passing an advisory resolution on the Corporation's approach to executive compensation;

5. considering shareholder proposals set forth in Exhibit A of the Management Proxy Circular;

6. transacting such other business as may properly be brought forward before the Annual General Meeting.

The holders of Common Shares of record at the close of business on December 6, 2013, are entitled to receive notice of, to attend and to vote at this meeting.

Montréal, December 6, 2013

By order of the Board of Directors

Simon Rivet
Corporate Secretary

Note:

The holders of Common Shares who are unable to attend the Annual General Meeting in person are requested to proceed according to the instructions provided in the Management Proxy Circular, and to return the proxy form at their earliest convenience, but before 5:00 p.m. (Eastern time), on January 27, 2014.

Management Proxy Circular

This Management Proxy Circular (the “Circular”) is provided in connection with the solicitation of proxies for the Annual General Meeting of Shareholders (the “Meeting”) of METRO INC. (the “Corporation”) to be held on Tuesday, January 28, 2014, at the place and time and for the purposes set forth in the enclosed notice of said meeting (the “Notice of Meeting”), and all adjournments thereof.

SOLICITATION OF PROXIES

The enclosed proxy is being solicited by the management of the Corporation. The solicitation will be made primarily by mail, but the directors, officers and regular employees of the Corporation may also solicit proxies by telephone, by fax, by Internet, through advertisements or in person. The Corporation will also retain the services of other parties to solicit proxies, in particular CST Phoenix Advisors. The solicitation costs will be at the expense of the Corporation, including any costs in connection with the services provided by the latter firm, which are estimated at approximately $32,000.

In addition, the Corporation, will, upon request, reimburse brokers and nominees for expenses reasonably incurred for forwarding voting instruction forms and accompanying material to beneficial owners of Common Shares of the Corporation.

INFORMATION REGARDING VOTING

REGISTERED SHAREHOLDERS

A registered shareholder is a shareholder whose shares are directly registered in his name in the Corporation’s register of shareholders. Holders of shares of record at the close of business in Montréal, Quebec, on December 6, 2013 (the “Record Date”) will be entitled to attend the Meeting and any adjournment thereof, and exercise the voting rights attached to their shares. Shareholders entitled to exercise their voting rights may appoint another person (a “Proxyholder”) to attend the Meeting and exercise such voting rights.

VOTING RIGHTS EXERCISED BY PROXY The person named as Proxyholder in the enclosed proxy form will exercise the voting rights attached to the Common Shares which are subject to said proxy, in accordance with the instructions set forth by the shareholder. **Unless contrary instructions are indicated on the proxy form, the voting rights attached to such shares will be voted “FOR” the approval of matters referred to in items two (2), three (3) and four (4) of the Notice of Meeting, and “AGAINST” the matters referred to in item five (5) of the Notice of Meeting.**

The enclosed proxy confers discretionary authority upon the persons named therein with respect to all amendments to matters set forth in the Notice of Meeting and any other matter which may properly be brought before the Meeting. As at the date of this Circular, the management of the Corporation knows of no such amendments or other matters to be brought before the Meeting.

APPOINTMENT OF A PROXYHOLDER A shareholder has the right to appoint a Proxyholder to represent him at the Meeting other than the persons whose names already appear as proxyholders in the enclosed proxy form, by inserting the name of the Proxyholder of his choice in the blank space provided for that purpose in the proxy form. The Proxyholder need not be a shareholder of the Corporation. If the shareholder is a corporation, the proxy form must be executed by a duly authorized officer or attorney thereof.

You may enter your voting instructions by following the directions indicated on the front and back of the proxy form.

REVOCATION OF A PROXY A shareholder who executes and returns the enclosed proxy form may revoke same in any manner permitted by law, including by way of written notice duly executed by the shareholder, by his attorney who has written authorization to act on his behalf or, if the shareholder is a corporation, by a duly authorized officer or attorney thereof, and submit said revocation to the transfer agent of the Corporation, Computershare Trust Company of Canada, before the proxy is acted upon at the Meeting or any adjournment thereof.

If you have any questions with respect to the foregoing, wish to receive an additional copy of this Circular or need help to vote, we invite you to contact CST Phoenix Advisors at 1 800 246-2916.

NON-REGISTERED SHAREHOLDERS

A non-registered shareholder is a shareholder whose shares are registered in the name of a representative, such as an investment dealer or another intermediary, rather than in the shareholder's name.

Applicable securities laws and regulations require that the representative of a non-registered shareholder seeks the latter's voting instructions prior to the Meeting. The non-registered shareholder will receive a voting instruction form from his representative with respect to the number of shares held on his behalf. The representative's voting instruction form will contain instructions pertaining to the execution and transmission of the document, which instructions should be carefully read and followed by the non-registered shareholder to ensure that his voting rights are exercised accordingly at the Meeting.

A non-registered shareholder who is unable to attend the Meeting but wishes that his voting rights be exercised on his behalf by a Proxyholder must therefore follow the voting instructions provided by his representative.

A non-registered shareholder who wishes to exercise his voting rights in person at the Meeting must indicate his own name in the space provided for such purpose on the voting instruction form in order to appoint himself as proxyholder, and follow the instructions provided by his representative with respect to the execution and transmission of the document.

If you have any questions with respect to the foregoing, wish to receive an additional copy of this Circular or need help to vote, we invite you to contact CST Phoenix Advisors at 1 800 246-2916.

ELECTRONIC VOTING AT THE ANNUAL MEETING

In keeping with our commitment to reduce our impact on the environment and in order to facilitate the voting at the Meeting, voting on all items of business shall be carried out by electronic ballot rather than paper. The transfer agent will provide each shareholder with a handheld device together with information regarding its use at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Common Shares (the "Share(s)") constitute the only class of shares of the Corporation carrying a voting right at a general meeting of shareholders. Each Share entitles its holder to one (1) vote. Each holder of Shares is entitled, at a meeting or any adjournment thereof, to one (1) vote for each Share registered in his name at the close of business on the Record Date.

As at November 29, 2013, there were 90,758,545 Shares of the Corporation issued and outstanding, representing in the aggregate 100% of the votes attached to all Shares of the Corporation.

To the knowledge of the directors and officers of the Corporation, the only person who, as at November 29, 2013, exercised or claimed to exercise beneficial ownership, control or direction over 10% of the Corporation's Shares was:

Name	Approximate number of Shares	Approximate percentage of Shares
Fidelity Management & Research Company[1]	17,880,233	19.70%

[1] On the basis of the information available on SEDAR (www.sedar.com) and on SEDI (www.sedi.ca).

FINANCIAL STATEMENTS

The consolidated financial statements of the Corporation for the financial year ended September 28, 2013, and the report of the independent auditors thereon will be submitted at the Meeting. These consolidated financial statements appear in the Corporation's 2013 Annual Report ("Annual Report") which was mailed to shareholders who requested it together with the Notice of Meeting and this Circular. The Annual Report is available on SEDAR (www.sedar.com) as well as on the Corporation's corporate Internet Website (www.metro.ca).

ELECTION OF DIRECTORS

The Articles of the Corporation provide for a minimum of seven (7) and a maximum of 19 directors, which number to be determined from time to time by resolution of the Board of Directors of the Corporation (the "Board of Directors" or the "Board"). The Board of Directors has set at 15 the number of directors for the upcoming year. The Corporation's By-laws provide that each director is elected for a one-year term beginning on the date of the annual meeting of shareholders during which he is elected and ending at the following annual meeting of shareholders or upon the election of his successor, unless the director resigns or his seat becomes vacant as a result of death, removal or any other reason. According to a policy of the Corporation, any person who was a director of the Corporation on January 30, 2012 may subsequently stand for election as a director, provided that at the time of his election he is under the age of 72. Any other person may stand for election as a director of the Corporation provided that at the time of his election he is under the age of 72 and has been a director of the Corporation for less than 15 years.

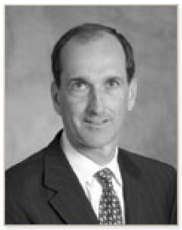
MAJORITY VOTING POLICY The Board of Directors has adopted a policy providing that a nominee for the position of director, who receives a greater number of votes "**WITHHELD**" than votes "**FOR**" during the election of directors by shareholders at a meeting of shareholders, will offer his resignation to the Chair of the Board following said meeting of shareholders. The Corporate Governance and Nominating Committee (the "Corporate Governance Committee") will consider such offer to resign and make a recommendation to the Board as to whether to accept it or not. The Board will make its decision and issue a press release to that effect within 90 days following the meeting of shareholders. The director who offered his resignation shall not take part in any of the Corporate Governance Committee's or the Board's deliberations pertaining to his offer to resign. This policy only applies in circumstances involving an uncontested election of directors. An "uncontested election of directors" means that the number of nominees for the position of director is equal to the number of directors to be elected to the Board, and that no proxy material is circulated in support of one (1) or more nominees other than those presented by the Board. Subject to any restriction imposed by law, in the event that the Board accepts the resignation offer of a director and that such director resigns, the Board may leave the resulting vacancy unfilled until the next annual meeting of shareholders. It may also opt to fill the vacancy by appointing a new director whom the Board considers to merit the trust of the shareholders. It may further decide to call a meeting of shareholders in order to introduce a new candidate to fill the vacant position.

NOMINEES Nominees for the position of director are currently directors, with the exception of Mrs. Line Rivard.

The persons named in the enclosed proxy form or voting instruction form intend to vote "FOR" the election, as directors of the Corporation, of the 15 nominees whose names are set forth below.

Management of the Corporation does not expect that any such nominee will be unable or, for any reason, become unwilling to serve as a director, but if the foregoing should occur for any reason prior to the election, the persons named in the enclosed proxy form or voting instruction form may vote for another nominee of their choice.

The following tables describe the nominees for the position of director of the Corporation. Each nominee for the position of director of the Corporation holds the principal occupation indicated opposite his name or a management function within the same corporation or an affiliate of said corporation for at least five (5) years, with the exception of Mrs. Line Rivard and Messrs. Claude Dussault, Christian W.E. Haub, Russell Goodman, Michael T. Rosicki and John H. Tory, whose other functions are described opposite their name. Each nominee's experience is hereinafter summarized. The other boards of public corporations on which nominees currently serve as well as information relating to their equity holdings in the Corporation are also mentioned. None of the nominees serve together on the same board of any other public corporation.



Marc DeSerres
Age 60
Montréal, Quebec
Independent
Director since:
2002

Principal occupation	**President of Omer DeSerres Inc.** (national chain of art supply stores)	
Committee(s)	● Corporate Governance and Nominating ● Audit	
Skills and Experience	● CEO ● Retail Business ● Real Estate	● Information Technologies ● Human Resources/Compensation ● Marketing

2013 Annual Meeting Votes in favour (%): 99.20

Mr. DeSerres has been president of Omer DeSerres Inc. since 1980. He has over 30 years of experience in the retail business. He holds a Bachelor's degree in Administration from Concordia University. From 1998 to 2012, Mr. DeSerres was Chair of the Board of Directors of the Musée d'art contemporain de Montréal, for which he also served as a member of its corporate governance and audit committees from 2004 to 2012.

INFORMATION ON EQUITY HOLDINGS

November 29, 2013		**November 30, 2012**		**Total net change (#)**	**Total value at risk as of November 29, 2013 ($)[1]**	**Value at risk as multiple of Base Annual Retainer[2]**	**Minimum level met (√) or time limit to meet level**
Shares	**DSUs**	**Shares**	**DSUs**				
4,809	10,642	4,809	9,758	884	956,726	14.72	√

(1) The total value at risk is based on the closing price on November 29, 2013 ($61.92).
(2) The multiple was determined using the base annual retainer in effect on September 28, 2013 ($65,000).

Claude Dussault
Age 59
Québec, Quebec
Independent
Director since:
2005

Principal occupation	**President of ACVA Investing Corporation** (portfolio management company)	
Committee(s)	● Corporate Governance and Nominating (Chair) ● Human Resources	
Skills and Experience	● CEO ● Large Corporation ● Human Resources/Compensation	● Information Technologies ● Marketing ● Prior or current public company board experience

2013 Annual Meeting Votes in favour (%): 99.31

Mr. Dussault is president of ACVA Investing Corporation, a private portfolio management company. Mr. Dussault is also Chair of the Board of Directors of Intact Financial Corporation since January 1, 2008. He has held various management positions within the ING Group for more than 20 years, including President and Chief Executive Officer of ING Canada Inc. (now Intact Financial Corporation). Mr. Dussault is an actuary and a Fellow of the Canadian Institute of Actuaries and of the Casualty Actuarial Society. He holds a Bachelor's degree in Actuarial Science from Université Laval and has also participated in the Advanced Executive Education Program at the Wharton School of Business.

INFORMATION ON EQUITY HOLDINGS

November 29, 2013		**November 30, 2012**		**Total net change (#)**	**Total value at risk as of November 29, 2013 ($)[1]**	**Value at risk as multiple of Base Annual Retainer[2]**	**Minimum level met (√) or time limit to meet level**
Shares	**DSUs**	**Shares**	**DSUs**				
4,000	9,997	4,000	9,467	530	866,694	13.33	√

(1) The total value at risk is based on the closing price on November 29, 2013 ($61.92).
(2) The multiple was determined using the base annual retainer in effect on September 28, 2013 ($65,000).

Serge Ferland
Age 58
Québec, Quebec
Non-Independent
Director since:
1997

Principal occupation	**President of Alimentation Serro Inc. and of Supermarché Claka Inc.** (food stores)
Skills and Experience	● CEO ● Retail/Food Business ● Marketing ● Human Resources

2013 Annual Meeting Votes in favour (%): 99.88

Mr. Ferland has over 30 years of experience in managing food stores. He owns and operates grocery stores under the Metro banner since 1981. Mr. Ferland holds a Bachelor of Administration and a degree in Accounting from Université Laval. He is a director of the Québec City Convention Centre.

INFORMATION ON EQUITY HOLDINGS

November 29, 2013		November 30, 2012		Total net change (#)	Total value at risk as of November 29, 2013($)(1)	Value at risk as multiple of Base Annual Retainer(2)	Minimum level met (√) or time limit to meet level
Shares	**DSUs**	**Shares**	**DSUs**				
38,449	15,023	41,915	13,644	- 2,087	3,310,986	50.94	√

(1) The total value at risk is based on the closing price on November 29, 2013 ($61.92).
(2) The multiple was determined using the base annual retainer in effect on September 28, 2013 ($65,000).

Paule Gauthier
P.C., O.C., O.Q., Q.C.
Age 70
Québec, Quebec
Independent
Director since:
2001

Principal occupation	**Partner of Stein Monast LLP** (law firm)
Committee(s)	● Human Resources ● Corporate Governance and Nominating
Skills and Experience	● Large Corporation ● Human Resources/Compensation ● Public Sector ● Legal ● Prior or current public company board experience

2013 Annual Meeting Votes in favour (%): 99.18

Mrs. Gauthier is a lawyer. She has served and currently serves on many committees of public corporations, including human resources and corporate governance committees. She is currently a director of TransCanada Corporation and of Royal Bank of Canada. She holds a Master of Laws in commercial law from Université Laval.

INFORMATION ON EQUITY HOLDINGS

November 29, 2013		November 30, 2012		Total net change (#)	Total value at risk as of November 29, 2013 ($)(1)	Value at risk as multiple of Base Annual Retainer(2)	Minimum level met (√) or time limit to meet level
Shares	**DSUs**	**Shares**	**DSUs**				
5,004	9,475	5,004	8,618	857	896,540	13.79	√

(1) The total value at risk is based on the closing price on November 29, 2013 ($61.92).
(2) The multiple was determined using the base annual retainer in effect on September 28, 2013 ($65,000).

Paul Gobeil
C.M., FCPA, FCA
Age 71
Montréal, Quebec
Independent
Director since:
1990

Principal occupation	**Vice-Chair of the Board of Directors of the Corporation**
Committee(s)	● Corporate Governance and Nominating
Skills and Experience	● CEO ● Retail/Food Business ● Financial Expert ● Government ● Large Corporation ● Prior or current public company board experience

2013 Annual Meeting Votes in favour (%): 99.73

Mr. Gobeil is Vice-Chair of the Board of Directors of the Corporation since 1990. He has previously held management positions in various companies of the food sector, as well as for the Government of Quebec where he was *inter alia* Minister for Administration, Chair of the Treasury Board and Minister of International Affairs. Mr. Gobeil is a Chartered Professional Accountant. He holds a Master of Commerce and a Master in Accounting from Université de Sherbrooke and has completed the Advanced Management Program at Harvard Business School. Mr. Gobeil is a director of National Bank of Canada.

INFORMATION ON EQUITY HOLDINGS

November 29, 2013		**November 30, 2012**		**Total net change (#)**	**Total value at risk as of November 29, 2013 ($)[1]**	**Value at risk as multiple of Base Annual Retainer[2]**	**Minimum level met (√) or time limit to meet level**
Shares	**DSUs**	**Shares**	**DSUs**				
65,200	5,355	76,200	4,944	- 10,589	4,368,766	67.21	√

(1) The total value at risk is based on the closing price on November 29, 2013 ($61.92).
(2) The multiple was determined using the base annual retainer in effect on September 28, 2013 ($65,000).

Russell Goodman
FCPA, FCA
Age 60
Lac-Tremblant-Nord, Quebec
Independent
Director since:
2012

Principal occupation	**Corporate Director**
Committee(s)	● Audit
Skills and Experience	● Senior Officer ● Financial Expert ● Human Resources/Compensation ● Large Corporation ● Real Estate ● Prior or current public company board experience

2013 Annual Meeting Votes in favour (%): 99.72

Mr. Goodman is a director, Chair of the Audit and Finance Committees and member of the Human Resources and Compensation Committees of Gildan Activewear Inc. and Whistler Blackcomb Holdings Inc. He spent his entire career at PricewaterhouseCoopers LLP and Price Waterhouse LLP until his retirement in 2011. From 1998 to 2011, he was the Managing Partner of various business units in Canada and the Americas, primarily in the mergers and acquisitions, restructuring and corporate finance areas. Mr. Goodman is a Chartered Professional Accountant. He holds a Bachelor of Commerce from McGill University and is a Fellow of the Order of Professional Chartered Accountants of Quebec.

INFORMATION ON EQUITY HOLDINGS

November 29, 2013		**November 30, 2012**		**Total net change (#)**	**Total value at risk as of November 29, 2013 ($)[1]**	**Value at risk as multiple of Base Annual Retainer[2]**	**Minimum level met (√) or time limit to meet level**
Shares	**DSUs**	**Shares**	**DSUs**				
2,700	1,525	—	668	3,557	261,612	4.02	√

(1) The total value at risk is based on the closing price on November 29, 2013 ($61.92).
(2) The multiple was determined using the base annual retainer in effect on September 28, 2013 ($65,000).

Christian W.E. Haub
Age 49
Greenwich, Connecticut
United States of America
Independent
Director since:
2006

Principal occupation	**Co-chief Executive Officer of The Tengelmann Group** (retail business)
Committee(s)	● Human Resources
Skills and Experience	● CEO ● Retail/Food Business ● Human Resources/Compensation ● Large Corporation ● Real Estate ● Prior or current public company board experience
2013 Annual Meeting Votes in favour (%): 99.22	

Mr. Haub is Co-Chief Executive Officer of The Tengelmann Group ("Tengelmann"), a large German Corporation operating in the retail business, for which he manages its North American activities. From 1991 to 2012, he has held various executive positions (including Chair of the Board) at The Great Atlantic & Pacific Tea Company, Inc., a subsidiary of Tengelmann, until its divestiture in 2012. He holds a Master's degree in Social and Economic Sciences from the Austrian University of Economics and Business Administration.

INFORMATION ON EQUITY HOLDINGS

November 29, 2013		November 30, 2012		Total net change (#)	Total value at risk as of November 29, 2013 ($)(1)	Value at risk as multiple of Base Annual Retainer(2)	Minimum level met (√) or time limit to meet level
Shares	DSUs	Shares	DSUs				
4,500	11,730	4,500	10,297	1,433	1,004,962	15.46	√

(1) The total value at risk is based on the closing price on November 29, 2013 ($61.92).
(2) The multiple was determined using the base annual retainer in effect on September 28, 2013 ($65,000).

Michel Labonté
Age 68
Montréal, Quebec
Independent
Director since:
2006

Principal occupation	**Corporate Director**
Committee(s)	● Audit (Chair)
Skills and Experience	● Senior Officer ● Public Sector ● Information Technologies ● Financial Expert ● Large Corporation ● Prior or current public company board experience
2013 Annual Meeting Votes in favour (%): 99.89	

Mr. Labonté is a director and Chair of the Risk Management Committee of the Laurentian Bank of Canada, as well as a director, Chair of the Audit Committee and member of the Risk Management Committee of Otéra Capital Inc. He is also a director, Chair of the Board and member of the Audit Committee of Manac Inc. First at Hydro-Québec and then at National Bank of Canada, he has held various management positions, including Vice-President, Finance, for a period of 15 years. From 2005 to October 2006, he served as Executive Advisor to National Bank of Canada's Senior Management. Mr. Labonté holds a Bachelor's degree in Architecture from the Faculty of Engineering of McGill University and a Master's degree in Urban Planning from the Université de Montréal.

INFORMATION ON EQUITY HOLDINGS

November 29, 2013		November 30, 2012		Total net change (#)	Total value at risk as of November 29, 2013 ($)(1)	Value at risk as multiple of Base Annual Retainer(2)	Minimum level met (√) or time limit to meet level
Shares	DSUs	Shares	DSUs				
—	8,132	—	7,148	984	503,533	7.75	√

(1) The total value at risk is based on the closing price on November 29, 2013 ($61.92).
(2) The multiple was determined using the base annual retainer in effect on September 28, 2013 ($65,000).

Eric R. La Flèche
Age 51
Town of Mount Royal, Quebec
Non-Independent
Director since:
2008

Principal occupation	**President and Chief Executive Officer of the Corporation**
Skills and Experience	● CEO ● Retail/Food Business ● Human Resources/Compensation ● Large Corporation ● Real Estate ● Marketing

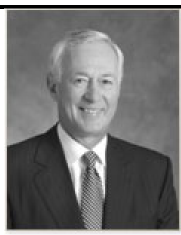
2013 Annual Meeting Votes in favour (%): 99.92

Mr. La Flèche is President and Chief Executive Officer of the Corporation since April 2008. He joined the Corporation in 1991 and has since then held various management positions, including Executive Vice-President and Chief Operating Officer from 2005 to 2008. Mr. La Flèche holds an MBA from Harvard Business School and a degree in Civil Law from the University of Ottawa. He is a director and member of the Risk Review Committee of the Bank of Montreal.

INFORMATION ON EQUITY HOLDINGS

November 29, 2013		November 30, 2012		Total net change (#)	Total value at risk as of November 29, 2013 ($)[1]	Value at risk as multiple of Base Annual Retainer[2]	Minimum level met (√) or time limit to meet level[2]
Shares	DSUs	Shares	DSUs				
76,246	—	70,349	—	5,897	4,721,152	—	√

[1] The total value at risk is based on the closing price on November 29, 2013 ($61.92).
[2] See the "Minimum Holding of Shares and PSUs by NEOs" section on page 27 of this Circular.



Pierre H. Lessard
FCPA, FCA, C.B.H.F.
Age 71
Westmount, Quebec
Non-Independent
Director since:
1990

Principal occupation	**Chair of the Board of the Corporation**
Skills and Experience	● CEO ● Retail/Food business ● Human Resources/Compensation ● Financial Expert ● Large Corporation ● Prior or current public company board experience

2013 Annual Meeting Votes in favour (%): 98.41

Mr. Lessard is Chair of the Board of the Corporation since April 2008. From 1990 to April 2008, he was President and Chief Executive Officer of the Corporation. Mr. Lessard is a Chartered Professional Accountant. He holds a Master's degree in Commercial Sciences from Université Laval as well as an MBA from Harvard Business School.

INFORMATION ON EQUITY HOLDINGS

November 29, 2013		November 30, 2012		Total net change (#)	Total value at risk as of November 29, 2013 ($)[1]	Value at risk as multiple of Base Annual Retainer[2]	Minimum level met (√) or time limit to meet level
Shares	DSUs	Shares	DSUs				
168,370	14,062	209,000	12,645	- 39,213	11,296,189	45.18	√

[1] The total value at risk is based on the closing price on November 29, 2013 ($61.92).
[2] The multiple was determined using the annual retainer in effect on September 28, 2013 ($250,000).

Marie-José Nadeau
Age 60
Montréal, Quebec
Independent
Director since:
2000

Principal occupation	**Executive Vice-President, Corporate Affairs and Secretary General of Hydro-Québec**
Committee(s)	● Audit ● Human Resources
Skills and Experience	● Senior Officer ● Large Corporation ● Human Resources/Compensation ● Public Sector ● Legal ● Prior or current public company board experience

2013 Annual Meeting Votes in favour (%): 99.54

For the past 20 years, Mrs. Nadeau has been and remains a member of the senior executive team of Hydro-Québec and has a wide-ranging experience in strategic areas of a large corporation. She is also the Chair of the World Energy Council. Mrs. Nadeau is a lawyer and holds a Master of Laws in public Law from Ottawa University.

INFORMATION ON EQUITY HOLDINGS

November 29, 2013		November 30, 2012		Total net change (#)	Total value at risk as of November 29, 2013 ($)[1]	Value at risk as multiple of Base Annual Retainer[2]	Minimum level met (√) or time limit to meet level
Shares	**DSUs**	**Shares**	**DSUs**				
4,887	7,873	4,887	6,244	1,629	790,099	12.16	√

[1] *The total value at risk is based on the closing price on November 29, 2013 ($61.92).*
[2] *The multiple was determined using the base annual retainer in effect on September 28, 2013 ($65,000).*

Réal Raymond
Age 63
Montréal, Quebec
Independent
Director since:
2008

Principal occupation	**Lead Director of the Corporation**
Committee(s)	● Human Resources (Chair)
Skills and Experience	● CEO ● Financial Expert ● Human Resources/Compensation ● Large Corporation ● Real Estate ● Prior or current public company board experience

2013 Annual Meeting Votes in favour (%): 99.94

Mr. Raymond is Lead Director of the Corporation since January 2010. He spent his entire career at National Bank of Canada where he has held various positions, including President and Chief Executive Officer from March 2002 to May 2007. Mr. Raymond holds a Bachelor's degree in Administration from Université Laval and an MBA from the Université du Québec à Montréal. He is also a graduate of the Institute of Canadian Bankers. He serves on the Boards of Directors of Sun Life Financial Inc. and Heroux-Devtek Inc.

INFORMATION ON EQUITY HOLDINGS

November 29, 2013		November 30, 2012		Total net change (#)	Total value at risk as of November 29, 2013 ($)[1]	Value at risk as multiple of Base Annual Retainer[2]	Minimum level met (√) or time limit to meet level
Shares	**DSUs**	**Shares**	**DSUs**				
6,000	6,510	6,000	5,629	881	774,619	11.92	√

[1] *The total value at risk is based on the closing price on November 29, 2013 ($61.92).*
[2] *The multiple was determined using the base annual retainer in effect on September 28, 2013 ($65,000).*

Line Rivard
Age 54
Montréal, Quebec
Independent
New Nominee for the position of director

Principal occupation	**Corporate Director**
Skills and Experience	● Financial Expert ● Real Estate ● Large Corporation ● Retail ● Human Resources/Compensation ● Prior or current public company board experience

2013 Annual Meeting Votes in favour (%): —

Mrs. Rivard is a corporate Director. She serves on the Board of Directors of Ivanhoe Cambridge. From 1989 to 2009, she has held various positions at BMO Capital Markets, including Vice-President and General Director, Corporate Services – Montréal from 1997 to 2009. She holds an MBA from Concordia University and is a graduate of the Directors Education Program of the Institute of Corporate Directors (ICD).

INFORMATION ON EQUITY HOLDINGS

November 29, 2013		**November 30, 2012**		**Total net change (#)**	**Total value at risk as of November 29, 2013($)(1)**	**Value at risk as multiple of Base Annual Retainer(2)**	**Minimum level met (√) or time limit to meet level**
Shares	**DSUs**	**Shares**	**DSUs**				
300	—	—	—	—	18,576	0.28	01-28-2017

(1) The total value at risk is based on the closing price on November 29, 2013 ($61.92).
(2) The multiple was determined using the base annual retainer in effect on September 28, 2013 ($65,000).

Michael T. Rosicki
Age 70
Orillia, Ontario
Independent
Director since:
2009

Principal occupation	**Corporate Director**
Committee(s)	● Corporate Governance and Nominating
Skills and Experience	● CEO ● Retail/Food Business ● Marketing ● Large Corporation ● Human Resources/Compensation ● Prior or current public company board experience

2013 Annual Meeting Votes in favour (%): 99.09

Mr. Rosicki is a director and Chair of the Board of Second Cup Limited. He also serves on the Board of Directors of Aastra Technologies Limited. Mr. Rosicki has spent most of his career in the Canadian food manufacturing industry and was, from 2004 to 2011, President and General Director of Wexford Group Inc., a consulting firm. From 1999 to 2004, Mr. Rosicki was Chair and Chief Executive Officer of Parmalat North America.

INFORMATION ON EQUITY HOLDINGS

November 29, 2013		**November 30, 2012**		**Total net change (#)**	**Total value at risk as of November 29, 2013($)(1)**	**Value at risk as multiple of Base Annual Retainer(2)**	**Minimum level met (√) or time limit to meet level**
Shares	**DSUs**	**Shares**	**DSUs**				
1,037	5,659	1,000	4,532	1,164	414,616	6.38	√

(1) The total value at risk is based on the closing price on November 29, 2013 ($61.92).
(2) The multiple was determined using the base annual retainer in effect on September 28, 2013 ($65,000).

John H. Tory
Q.C., O. Ont.
Age 59
Toronto, Ontario
Independent
Director since:
2011

Principal occupation	**Corporate Director**
Committee(s)	● Audit
Skills and Experience	● CEO ● Public Sector ● Human Resources/Compensation ● Large Corporation ● Legal ● Prior or current public company board experience
2013 Annual Meeting Votes in favour (%): 99.74	

Mr. Tory is a Corporate Director. From 2004 to 2009, he served as a Member of the Legislative Assembly of Ontario and Leader of the Official Opposition. He has held the position of President and Chief Executive Officer of Rogers Cable Inc., from 1999 to 2003, and of Rogers Media Inc., from 1995 to 1999. Mr. Tory is a lawyer. He is a director, Chair of the Human Resources Committee and a member of the Nominating and Governance committees of Rogers Communications Inc.

INFORMATION ON EQUITY HOLDINGS

November 29, 2013		November 30, 2012		Total net change (#)	Total value at risk as of November 29, 2013 ($)(1)	Value at risk as multiple of Base Annual Retainer(2)	Minimum level met (√) or time limit to meet level
Shares	**DSUs**	**Shares**	**DSUs**				
900	2,896	600	1,870	1,326	235,048	3.62	√

(1) The total value at risk is based on the closing price on November 29, 2013 ($61.92).
(2) The multiple was determined using the base annual retainer in effect on September 28, 2013 ($65,000).

Additional information on the nominees for the position of director who have held or hold positions in other corporations can be found in the “Directors and Officers” section of the Annual Information Form. The Corporation’s 2013 Annual Information Form (the “Annual Information Form”) is available on SEDAR (www.sedar.com) as well as on the Corporation’s Corporate Internet Website (www.metro.ca).

APPOINTMENT OF AUDITORS

Ernst & Young LLP, Chartered Professional Accountants, were first appointed as auditors of the Corporation on January 27, 1998, and have been acting in that capacity ever since (the “Auditors”). **The persons named in the enclosed proxy form or voting instruction form intend to vote "FOR" their appointment as auditors of the Corporation at the Meeting.**

AUDITORS’ INDEPENDENCE

For the 2013 financial year, the Corporation’s Audit Committee obtained written confirmation from the Auditors of their independence and objectivity with respect to the Corporation, pursuant to the Code of Ethics of the Quebec Order of Chartered Professional Accountants.

FEES FOR THE SERVICES OF THE AUDITORS

For each of the financial years ended September 28, 2013 and September 29, 2012, the following fees were billed by the Auditors for audit services, audit-related services, tax services and other services provided by the Auditors.

	2013	2012
Audit fees	$1,487,075	$1,846,129
Audit-related fees	$288,994	$299,367
Tax fees	$586,471	$579,881
All other fees	—	—

Audit-related fees consist primarily of fees billed for consultations concerning financial accounting or the presentation of financial information which are not categorized as “audit services”, fees billed for pension plan audits and fees billed for the execution of computerized tests on internal controls for management.

Tax fees consist primarily of fees billed for assistance with regulatory tax matters concerning federal and provincial income tax returns and sales tax and excise tax reporting, fees billed for consultations concerning the income tax, customs duty or sales tax impact of certain transactions, as well as fees billed for assistance with federal and provincial government audits involving income tax, sales tax, customs duties or deductions at source.

ADVISORY VOTE ON EXECUTIVE COMPENSATION

The Board of Directors of the Corporation approved a say-on-pay advisory vote policy with respect to executive officers. The purpose of the say-on-pay advisory vote is to give shareholders the opportunity to vote at each annual shareholders meeting on the Corporation’s approach to executive compensation, as further described in the “Executive Compensation” section on pages 20 to 40 of this Circular.

At the Meeting, shareholders will be asked to vote on the following advisory resolution:

“RESOLVED, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, that the shareholders accept the approach to executive compensation disclosed in the Corporation’s Management Proxy Circular delivered in advance of the 2014 annual meeting of shareholders of the Corporation.”

Given that the vote is held on an advisory basis, it will not be binding upon the Board of Directors. However, the Board of Directors will consider the outcome of the vote when reviewing and approving executive compensation policies and decisions.

Additional information on executive compensation can be found in the “Executive Compensation” section on pages 20 to 40 inclusively of this Circular.

The Board of Directors and management are recommending that shareholders vote **“FOR”** the approval of said resolution**.**

Unless contrary instructions are indicated on the proxy form or voting instruction form, the persons designated in the enclosed proxy form or voting instruction form intend to vote “FOR” the advisory resolution on executive compensation.

SHAREHOLDER PROPOSALS

Exhibit A to this Circular contains three (3) proposals from a shareholder that have been submitted for consideration at the Meeting, along with the Board of Directors’ reasons for opposing said proposals.

The Board of Directors and management recommend that shareholders vote **“AGAINST”** each of these three (3) proposals for the reasons described in Exhibit A to this Circular.

If these proposals are submitted for consideration at the Meeting, unless otherwise indicated, the persons named in the proxy form or voting instruction form intend to vote “AGAINST” each of these three (3) proposals. It should be noted that to be adopted, each of these three (3) proposals requires a vote on an ordinary resolution, which adoption requires a favorable vote of a simple majority of the votes cast.

THE BOARD OF DIRECTORS AND ITS COMMITTEES

MANDATE OF THE BOARD OF DIRECTORS The Board of Directors has adopted a mandate in which it describes its role. The text of the Board of Directors’ mandate is included in Exhibit B to this Circular.

DESCRIPTION OF THE COMMITTEES OF THE BOARD OF DIRECTORS AND THEIR MANDATES There are currently three (3) existing standing committees, namely the Human Resources Committee, the Audit Committee and the Corporate Governance and Nominating Committee.

The Human Resources Committee has five (5) members, all of whom are independent directors. This Committee met four (4) times during the 2013 financial year. The text of the Human Resources Committee mandate is included in Exhibit C to this Circular.

The Audit Committee met five (5) times during the 2013 financial year. The text of the mandate of the Audit Committee is included in Exhibit D to this Circular. The composition of this Committee is described in the "Information on the Audit Committee" section on page 15 of this Circular.

The Corporate Governance and Nominating Committee (the Corporate Governance Committee) has five (5) members, all of whom are independent directors. This Committee met five (5) times during the 2013 financial year. The text of the Corporate Governance Committee mandate is included in Exhibit E to this Circular.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS The following table sets forth the number of meetings held by the Board of Directors and its standing committees during the financial year ended on September 28, 2013, and the attendance rate of the directors at these meetings. It also indicates which committee each director is a member of and, as the case may be, any special position held on such committee.

BOARD AND COMMITTEE MEETINGS

Board	7
Audit Committee (A.C.)	5
Human Resources Committee (H.R.C.)	4
Corporate Governance and Nominating Committee (C.G.N.C.)	5

Director	Participation at Board meetings	Committees	Participation in Committee meetings
Marc DeSerres	6 of 7	***C.G.N.C.***	4 of 5
		A.C.	4 of 5
Claude Dussault	7 of 7	***C.G.N.C. (Chair)***	5 of 5
		H.R.C.	4 of 4
Serge Ferland	7 of 7	—	—
Paule Gauthier	6 of 7	***H.R.C.***	4 of 4
		C.G.N.C.	4 of 5
Paul Gobeil	7 of 7	***C.G.N.C.***	5 of 5
Russell Goodman	7 of 7	**A.C.**	5 of 5
Christian W.E. Haub	7 of 7	***H.R.C.***	4 of 4
Michel Labonté	7 of 7	***A.C. (Chair)***	5 of 5
Eric R. La Flèche	7 of 7	—	—
Pierre H. Lessard	7 of 7	—	—
Marie-José Nadeau	7 of 7	***A.C.***	5 of 5
		H.R.C.	4 of 4
Réal Raymond	7 of 7	**H.R.C. (Chair)**	4 of 4
Michael T. Rosicki	6 of 7	**C.G.N.C.**	5 of 5
John H. Tory	6 of 7	**A.C.**	5 of 5
Total participation rate	**96%**		***96%***

INFORMATION ON THE AUDIT COMMITTEE

MANDATE OF THE AUDIT COMMITTEE The mandate of the Audit Committee, which was approved by the Board of Directors, is set out in Exhibit D to this Circular.

COMPOSITION OF THE AUDIT COMMITTEE, TRAINING AND EXPERIENCE OF ITS MEMBERS The Audit Committee is currently comprised of the following independent directors: Marie-José Nadeau, Marc DeSerres, Russell Goodman, John H. Tory and Michel Labonté (Chair).

Each member has training and experience which is relevant to the performance of his duties. First at Hydro-Québec and then at National Bank of Canada, Mr. Labonté has served as Vice-President, Finance, for a period of 15 years. Mr. Labonté is also Chair of the Audit Committee of Otéra Capital Inc., a subsidiary of Caisse de dépôt et placement du Québec, and a member of the Audit Committee of Manac Inc. For more than 20 years, Mrs. Nadeau has been serving and continues to serve as Secretary of the Audit and Finance Committees and of the Board of Hydro-Québec, and is also currently a member of the Audit Committee of Churchill Falls and Labrador Hydro. Mr. DeSerres acquired his experience by serving as President of Omer DeSerres Inc. since 1980, and by being a member of the Audit Committee of the Musée d'art contemporain de Montréal. Mr. Goodman is a Chartered Professional Accountant who acquired his experience by serving as a partner at PricewaterhouseCoopers LLP and Price Waterhouse LLP for a total of 24 years. Mr. Goodman is also a director and Chair of the Audit and Finance Committees of Gildan Activewear Inc. and of Whistler Blackcomb Holdings Inc. Mr. Tory was Chair of the Audit Committee of Cara Operations Limited, and has also previously served on the audit committees of various large corporations.

PRE-APPROVAL POLICIES AND PROCEDURES The Audit Committee approved the "Policy concerning the pre-approval of audit services and non-audit services" which main components are described below.

The Auditors are appointed to audit the annual consolidated financial statements of the Corporation. The Auditors may also be called upon to provide audit-related services, tax services and non-audit services, so long as these services do not interfere with their independence.

The Audit Committee, which is responsible, *inter alia*, for overseeing the work of the Auditors, must pre-approve all services that the Auditors of the Corporation may render to the Corporation and its subsidiaries. On an annual basis, the Audit Committee examines and pre-approves the details of the services which may be provided by the Auditors and the fee levels in connection therewith. Any type of service which has not already been approved by the Audit Committee must specifically be pre-approved by the Audit Committee if it is to be provided by the Auditors. Same applies if the service offered exceeds the pre-approved fee levels. The Audit Committee has delegated to its Chair the authority to pre-approve services that have not already been specifically approved. However, the Chair of the Audit Committee must communicate all such decisions at the following committee meeting.

On a quarterly basis, the Audit Committee examines the pre-approval status of any services other than audit services that the Auditors were asked to provide or could be asked to provide during the following quarter.

POLICY CONCERNING COMPLAINTS WITH RESPECT TO ACCOUNTING, CONTROLS OR AUDITING MATTERS
The Audit Committee approved a policy allowing anyone, including the employees of the Corporation, to submit an anonymous complaint regarding accounting, accounting controls or auditing matters of the Corporation. All complaints received are sent directly to the Senior Director, Internal Audit, who is responsible for analyzing such complaints and, if need be, making due inquiry. At each meeting, the Audit Committee is either informed of all complaints received together with the results of the inquiry and, if applicable, any corrective measures to be implemented, or is otherwise informed of the fact that no complaints have been filed.

The full text of the Corporation's complaint policy can be found on the Corporation's Corporate Internet Website (www.metro.ca).

POLICY CONCERNING THE HIRING OF PARTNERS OR EMPLOYEES OF THE AUDITORS The Audit Committee has approved a policy governing the Corporation's hiring of certain candidates for key positions. This policy applies to any partner, employee or former partner or employee of the current or former external auditors of the Corporation who applies for a position which entitles the candidate to exercise decision-making authority or significantly influence decision-making regarding the presentation of financial information or auditing matters. More specifically, the candidate must not have been involved in the auditing of the Corporation's financial statements within the 12 months preceding the hiring date. Moreover, the eventual hiring of such candidate must not compromise the independence of the Auditors.

RISK MANAGEMENT

The senior management, the Board of Directors, the Audit Committee and the Human Resources Committee all contribute towards identifying and managing the Corporation's business risks. Most of the identified risks fall into the following categories: operational risks, legal risks, financial risks, reputational risks, technological risks and security risks.

The risk management process allows for: risk identification, identification of the controls required to minimize risks, implementation of effective controls and periodic review of the effectiveness of these controls.

One of the objectives of the Audit Committee is to review all material risks identified by management and to examine the effectiveness of the measures put in place to manage these risks. In order to do so, the Committee regularly receives risk assessments from various business units of the Corporation. These assessments contain a description of the material risks that could affect a given business unit, and the measures put in place to manage such risks. In addition, the Committee receives at least once a year a report from the crisis prevention and management committee and an overall analysis of all material risks that could affect the Corporation as a whole. The Audit Committee regularly reports back to the Board of Directors regarding risk management. The Board of Directors also receives reports from management on material risks that could affect the Corporation. On a quarterly basis, the Audit Committee receives a presentation of all material risks affecting the Corporation and the measures put in place to manage such risks. A similar presentation is made to the Board at least once a year.

The Board of Directors and the Human Resources Committee also review the risk identification and management arising from the Corporation's compensation policies and practices and the disclosure related thereto. More information about risks arising from the Corporation's compensation policies and practices may be found under the "Risks Arising from the Corporation's Compensation Policies and Practices" section, on pages 21 and 22 of this Circular.

Additional information on risk management can be found in the "Risk Management" section of the Management Discussion and Analysis, forming part of the Annual Report. The Annual Report is available on SEDAR (www.sedar.com) as well as on the Corporation's Corporate Internet Website (www.metro.ca).

STRATEGIC PLANNING

The President and Chief Executive Officer, as well as senior management of the Corporation prepare and annually submit to the Board of Directors, for discussion and approval, a strategic plan and various strategic targets. The strategic planning process includes, among other things, the following elements: designing a strategic plan for a specific timeframe, setting corporate financial objectives, developing annual business plans and reviewing performance and progress towards achieving the strategic plan.

Senior management reports back to the Board of Directors on any new development which may have a significant strategic impact. This allows the Board of Directors to ensure general oversight of the development of the strategic plan and to approve any new strategic measure proposed by senior management.

COMPOSITION OF THE BOARD OF DIRECTORS

The Corporate Governance Committee reviews the competence, experience and skills of each of the nominees for the position of director and recommends the nominees who best meet such criteria, standards and identified needs. This committee makes its recommendations to the Board of Directors which then chooses a nominee while taking into account, among other things, the list of competencies and expectations of directors which can be found in Exhibit F to this Circular. The Board of Directors also takes into consideration the profiles of each director already serving on the Board, as it aims to foster diversity, particularly in terms of competence, experience, skills and personal attributes.

The Corporation acknowledges the value of the contribution of women on the Board of Directors. In that regard, the Corporation has signed the Catalyst Accord, an initiative taken in order to increase the number of women serving on its Board of Directors. Founded in 1962, Catalyst is a nonprofit membership organization expanding opportunities for women and businesses. Catalyst has more than 500 members, and has offices in Canada, the United States, Europe and India.

This year, the Corporation proposes three (3) women among the group of 15 nominees for the position of director, including a new nominee, namely Mrs. Line Rivard. The Board of Directors considers that the composition of the group of nominees for the position of director that it proposes, as well as the number of individuals that said group comprises, will allow the Corporation to perform efficiently and act in the best interest of the Corporation and its stakeholders. Throughout the course of the previous year, the Corporation pursued its efforts towards determining and setting forth a list of potential nominees which included several women. Said list may be used in the event that a vacancy occurs on the Board of Directors. In the forthcoming years, the Corporation shall continue to emphasize and pay close attention to the recruitment of women to serve on its Board of Directors, without however setting forth any minimum requirement.

SUCCESSION PLANNING

The Corporation considers succession planning to be a fundamental matter and treat it as such. Succession plans for the President and Chief Executive Officer and for senior management are reviewed annually by the Human Resources Committee, which more specifically ensures follow-ups and makes appropriate recommendations to the Board of Directors. Succession plans for senior management, including the President and Chief Executive Officer, are presented annually to the Board of Directors.

Succession plans include: identifying potential candidates, succession planning on a continuous basis, adjustments to succession plans when necessary and implementing individual and organizational development programs.

DIRECTOR COMPENSATION

Only directors who are not employees of the Corporation receive compensation for acting as members of the Board of Directors and any of its committees.

The Board of Directors' policy is to offer its directors competitive compensation. In that respect, the Board of Directors compares on a yearly basis the compensation of the Corporation's directors with that of the directors of Canadian public companies included in the same reference group as the one used by the Corporation to determine executive compensation. For more information about said reference group, including the criteria upon which the Corporation based its choice of the companies included in the group, please refer to the section entitled "Reference Group" on page 22 of this Circular.

Directors' compensation consists of the following elements:

- the base annual retainer for directors was $65,000 until September 29, 2013, at which time it was increased to $70,000;
- the attendance fees for meetings of the Board of Directors and its committees consists of $1,750 when the meeting is held in person and half of said amount when the meeting is held by telephone;
- the annual retainer for committee Chairs is $5,000, except for the Chair of the Audit Committee, whose annual retainer is $10,000; and
- the annual retainer for committee members is $2,500, except for members of the Audit Committee, whose annual retainer is $5,000.

Until January 29, 2013, Mr. Pierre H. Lessard was Executive Chair of the Board and as such, he received an annual retainer of $450,000. On January 29, 2013, Mr. Lessard became Chair of the Board. As Chair of the Board, Mr. Lessard receives an annual retainer of $250,000.

The Lead Director receives an additional annual retainer of $20,000.

This year, the Corporate Governance Committee has reviewed once again the compensation of directors in order to determine if it was still appropriate. The committee recommended that no changes be made to the compensation of directors save for an increase of the base annual retainer to $70,000, so as to ensure a director's compensation that is substantially equivalent to the median compensation for the reference group. The Board of Directors has approved the increase, which came into effect on September 29, 2013.

In order to better align the interests of the directors with those of the shareholders, the Corporation has elaborated guidelines regarding non-employee directors' compensation and the number of securities of the Corporation which they are minimally required to hold. Until each director holds three (3) times his base annual retainer in deferred share units ("DSU") and/or in Shares, which constitutes the minimum shareholding requirement, each director must receive his base annual retainer or, at his option, his total annual compensation in DSUs. Each director has three (3) years to comply with the minimum shareholding requirement, following which each director will continue to receive at least 25% of his total compensation in DSUs.

The main terms of the Deferred Share Unit Plan (the "DSU Plan") are the following:

- the Corporation's DSU Plan came into effect on February 1, 2004;

- each director who participates in the DSU Plan has an account in his name into which the DSUs are credited and held until he ceases to be a director of the Corporation. The number of DSUs credited to his account is calculated by dividing the amount of the eligible compensation by the average closing price of a Share of the Corporation on the TSX for the five (5) trading days preceding the date of the credit;

- DSU holders are credited additional DSUs in an amount equal to the dividends paid on Shares of the Corporation;

- DSUs can only be bought back from the moment their holder ceases to be a director for any reason whatsoever (the "Termination Date");

- from the Termination Date, the director whose functions have ceased, may request a buyback of all DSUs credited to his account by providing a written notice no later than December 1st of the calendar year following the year of the applicable Termination Date (the "Notice"). The Corporation will then pay him a lump sum in cash equal to the number of all DSUs credited to his account on the day the Notice is received (the "Unit Buyback Date") multiplied by the value of the DSUs on the Unit Buyback Date less tax withholdings. The value of each DSU on the Unit Buyback Date is equal to the average closing price of a Share of the Corporation on the TSX for the five (5) trading days preceding the Unit Buyback Date; and

- DSUs are not considered Shares of the Corporation and, as such, they do not confer the rights to their holders which Shareholders of the Corporation are normally entitled to.

DIRECTOR COMPENSATION TABLE The following table shows all components of the compensation paid to the directors during the last financial year of the Corporation.

		All other compensation		
Name	**Fees ($)(1)**	**Dividends DSUs ($)**	**Other ($)**	**Total ($)**
Marc DeSerres	96,125	9,736	—	105,861
Claude Dussault	101,075	9,330	—	110,405
Serge Ferland	76,375	13,674	1,092(2)	91,141
Paule Gauthier	95,075	8,641	—	103,716
Paul Gobeil	87,625	4,920	11,108(3)	103,653
Russell Goodman	91,575	1,015	—	92,590
Christian W.E. Haub	83,250	10,450	—	93,700
Michel Labonté	95,125	7,266	—	102,391
Pierre H. Lessard	317,952	12,803	31,046(4)	361,801
Marie-José Nadeau	99,625	6,639	—	106,264
Réal Raymond	103,943	5,756	—	109,699
Michael T. Rosicki	85,875	4,867	—	90,742
John H. Tory	89,250	2,182	—	91,432

(1) The fees are paid in cash or DSUs as elected by the director. For further details, see the following table.
(2) These amounts represent life insurance premiums paid by the Corporation for directors who were in office before October 1, 1999. The Corporation no longer pays any premium for any individual who became a director after said date.
(3) The other compensation components for Mr. Paul Gobeil consist of an amount of $608 as life insurance premium paid by the Corporation since Mr. Gobeil was a director prior to October 1, 1999, as well as an amount of $10,500 paid by the Corporation to Mr. Gobeil as he sits on various pension committees of the Corporation.
(4) The other compensation components for Mr. Pierre H. Lessard were granted in his capacity of Chair of the Board and consist of car rental fees in an amount of $25,781 and insurance (life and health) premiums paid by the Corporation in an amount of $5,265.

Directors who are not employees or former employees of the Corporation are not eligible to receive pension plan benefits under the terms of any of the Corporation's Pension Plans and are not entitled to any Option grants under the Corporation's Option Plan (hereinafter defined).

DIRECTOR COMPENSATION PAYMENT TABLE The following table shows how the fees earned by the directors during the 2013 financial year have been paid.

Name	Payment in cash ($)	Payment in cash (% of total compensation)	Payment in DSUs ($)	Payment in DSUs (% of total compensation)	Fees ($)
Marc DeSerres	48,062	50	48,063	50	96,125
Claude Dussault	75,806	75	25,269	25	101,075
Serge Ferland	—	—	76,375	100	76,375
Paule Gauthier	47,538	50	47,537	50	95,075
Paul Gobeil	65,719	78	21,906	22	87,625
Russell Goodman	36,188	40	55,387	60	91,575
Christian W.E. Haub	—	—	83,250	100	83,250
Michel Labonté	38,050	40	57,075	60	95,125
Pierre H. Lessard	238,464	75	79,488	25	317,952
Marie-José Nadeau	—	—	99,625	100	99,625
Réal Raymond	51,971	50	51,972	50	103,943
Michael T. Rosicki	16,894	20	68,981	80	85,875
John H. Tory	24,250	27	65,000	73	89,250

INCENTIVE PLAN AWARDS

OUTSTANDING SHARE-BASED AWARDS The following table shows, with respect to each director, as at September 28, 2013, the share-based awards under the DSU Plan, which have not yet vested.

	Share-based awards	
	Share-based awards that have not vested(1)	Market or payout value of share-based awards that have not vested ($)(2)
Name	DSUs	
Marc DeSerres	10,642	688,963
Claude Dussault	9,997	647,206
Serge Ferland	15,023	972,589
Paule Gauthier	9,475	613,412
Paul Gobeil	5,355	346,683
Russell Goodman	1,525	98,729
Christian W.E. Haub	11,730	759,400
Michel Labonté	8,132	526,466
Pierre H. Lessard	14,062	910,374
Marie-José Nadeau	7,873	509,698
Réal Raymond	6,510	421,457
Michael T. Rosicki	5,659	366,364
John H. Tory	2,896	187,487

(1) These DSU awards have been granted solely as payment for the fees earned by the directors. The DSU awards include, however, DSUs granted to cover dividends paid on Shares of the Corporation.
(2) Based on the closing price on September 27, 2013 ($64.74).

There are no option-based awards for directors.

EXECUTIVE COMPENSATION

This section is intended to give shareholders of the Corporation a description of the policies, programs and decisions regarding compensation of the NEOs (as hereinafter defined) for the Corporation's financial year ended September 28, 2013. In this Circular, the term "NEO(s)" individually and collectively refers to the President and Chief Executive Officer, the Senior Vice-President, Chief Financial Officer and the Corporation's three (3) most highly paid executive officers, namely the Senior Vice-President, Ontario Division, the Senior Vice-President, Quebec Division and the Senior Vice-President, National Procurement and Corporate Brands. Although this section essentially aims to describe the compensation policies and programs for NEOs, these programs also apply to the Corporation's other management members. Unless otherwise indicated, the information disclosed in this section is up to date as at September 28, 2013.

COMPENSATION DISCUSSION AND ANALYSIS

ROLE AND MANDATE OF THE HUMAN RESOURCES COMMITTEE The Board of Directors has given the Human Resources Committee the mandate to, among other things, review and recommend senior executive compensation components and policies, so as to ensure that they are consistent with the best practices while also taking into account new compensation trends. The text of the mandate of the Human Resources Committee can be found in Exhibit C to this Circular.

COMPOSITION OF THE HUMAN RESOURCES COMMITTEE, COMPETENCIES AND EXPERIENCE OF ITS MEMBERS The Human Resources Committee is currently comprised of the following independent directors: Paule Gauthier, Marie-José Nadeau, Claude Dussault, Christian W.E. Haub and Réal Raymond (Chair).

Each Human Resources Committee member has the relevant experience and competencies to perform his duties. Mrs. Gauthier is a member of the Human Resources Committees of TransCanada Corporation and Royal Bank of Canada. For more than 20 years, Mrs. Nadeau has served and continues to serve as Secretary of the Human Resources Committee and of the Board of Hydro-Québec, and is currently a member of the Compensation Committee of the World Energy Council. Mr. Dussault acquired his human resources experience as President and Chief Executive Officer of ING Canada Inc. (now Intact Financial Corporation). Mr. Haub acquired his experience as President and Chief Executive Officer of The Great Atlantic and Pacific Tea Company, Inc. which used to be a large American food retail chain, and as Co-Chief Executive Officer of The Tengelmann Group, a large German Corporation operating in the retail business. Mr. Raymond acquired his experience as President and Chief Executive Officer of National Bank of Canada. He is currently a member of the Human Resources Committee of Sun Life Financial Inc. and Chair of the Human Resources Committee of Heroux-Devtek Inc.

CONFLICTS OF INTEREST None of the members of the Human Resources Committee is or has been indebted towards the Corporation or any of its subsidiaries or has or has had an interest in any material transaction involving the Corporation in the course of the 2013 financial year. None of the members of the Human Resources Committee is or has been an officer, employee or executive of the Corporation.

COMPENSATION OBJECTIVES AND COMPONENTS The Corporation's main objective with respect to compensation is to offer global compensation that is competitive with prevailing market conditions in order to recruit, retain and motivate qualified senior executives who are devoted to improving the Corporation's performance and creating value for its shareholders. The compensation programs are designed to adequately compensate the Corporation's officers for services rendered, and encourage them to implement strategies to improve the Corporation's performance, thereby increasing its long-term economic value. Accordingly, a significant portion of executives' compensation is based on performance as same is directly related to the Corporation's results.

The NEOs' compensation is comprised of the following elements:

Base salary;
Annual incentive plan ("AIP");
Long-term incentive plan ("LTIP");
Pension plan; and
Benefits.

DECISION-MAKING PROCESS Each year, the President and Chief Executive Officer gives his recommendations to the Human Resources Committee regarding all compensation components for each of the executive officers other than himself and, in particular, regarding the targets to be met under the AIP and the LTIP. The Chair of the Board of Directors gives his recommendations to the Human Resources Committee regarding compensation and the targets to be met by the President and Chief Executive Officer under the AIP and the LTIP. The Human Resources Committee reviews and approves such targets under the AIP and the LTIP, as well as the compensation components of the NEOs. The Human Resources Committee evaluates the performance of the President and Chief Executive Officer and the Senior Vice-President and Chief Financial Officer, and recommends their compensation to the Board of Directors. The Board of Directors of the Corporation approves all grants of stock options (“Option(s)”) and performance share units (“PSU(s)”) under the LTIP upon recommendation of the Human Resources Committee. The Board of Directors also approves the compensation of the President and Chief Executive Officer and the Senior Vice-President and Chief Financial Officer.

EXTERNAL COMPENSATION CONSULTANT Since April 21, 2009, the Human Resources Committee has been retaining the services of PCI-Perrault Conseil Inc. (“PCI”), an external compensation consultant, to obtain information and independent advice regarding NEO compensation programs. PCI reviews the recommendations of the Corporation and its consultants with respect to executive compensation trends, companies which need to be part of the reference group, information relating to said companies and, generally, NEOs compensation. PCI is hired directly by the Human Resources Committee and does not receive other mandates from the Corporation unless said committee gives its prior consent. During the 2012 financial year, PCI did not receive any other mandates from the Corporation whereas during the 2013 financial year, management gave PCI the mandate to review the communication regarding the minimum shareholding rules applicable to LTIP participants. Said mandate was approved by the Human Resources Committee. For the 2012 and 2013 financial years, the Corporation paid PCI the following fees:

	2013	**2012**
Executive compensation – Related fees	$41,700	$65,057
Other fees	$3,880	—

INFORMATION SOURCES Besides the information provided by the external compensation consultant, the Human Resources Committee also takes into account compensation data publicly disclosed by various specialized organizations and by Canadian public companies included in the reference group described below. The Corporation regularly commissions compensation surveys from other consulting firms which are then submitted to the Human Resources Committee.

RISKS ARISING FROM THE CORPORATION’S COMPENSATION POLICIES AND PRACTICES The Corporation's Human Resources Committee reviews the risk identification and management arising from the Corporation's compensation policies and practices and their disclosure.

The Corporation’s compensation policies and practices encourage and promote the alignment of the senior management’s interests with those of the shareholders. Many components of the Corporation’s compensation policies and practices limit risk-taking by senior management in a number of ways, including the following:

- Senior management, the Board of Directors and its committees actively participate in the Corporation's risk evaluation and management;

- The Human Resources Committee reviews the identification and management of the risks arising from the Corporation's compensation policies and practices. The Human Resources Committee's external compensation consultant evaluates the risks associated with the executive officers' compensation and advises the Human Resources Committee accordingly;

- Executive compensation is determined in accordance with a reference group and market surveys of companies comparable in size to the Corporation, so as to ensure its competitiveness;

- The base salary of the executive officers is fixed in order to provide regular income which is in no way connected to Share price and the overall operational performance of the Corporation, thus discouraging excessive risk-taking;

- At the beginning of the financial year, the Human Resources Committee reviews and approves various performance objectives under the AIP and the LTIP for the executive officers, while ensuring that said objectives are realistic and coherent as a whole;

- The performance objectives are diversified and include absolute performance objectives, as well as performance objectives that are related to a peer group, thus mitigating compensation risks;

- Some AIP objectives are based on the Corporation's budget, which is approved by the Board of Directors;

- Several of the AIP and LTIP objectives are based on the Corporation's financial results, which are approved by the Board of Directors after having been reviewed by the Auditors and the Audit Committee;

- Option and PSU awards are limited to a certain number based on an established policy and are approved by the Board of Directors upon recommendation of the Human Resources Committee;

- The amounts payable under the AIP are capped and approved by the Human Resources Committee;

- Option and PSU awards as well as their vesting periods encourage sustainable long-term performance and minimize short-term risk-taking;

- The costs of the Option Plan (the "Option Plan") and the Performance Share Unit Plan (the "PSU Plan") (the Option Plan and the PSU Plan are hereinafter collectively referred to from time to time as the "Plans") which are part of the LTIP, and the potential dilution that could result from the exercise of Options awarded are submitted annually to the Human Resources Committee;

- The President and Chief Executive Officer may grant to executive officers (excluding himself) a portion of their compensation under the AIP notwithstanding their non-achievement of the performance objectives. Its authority to do so is however limited to granting an aggregate amount equal to 5% of the base salary of all executive officers and is subject to the prior approval of the Human Resources Committee;

- Executive officers and other members of management must hold a certain number of Shares and PSUs of the Corporation, so as to allow a better alignment of their interests with those of the shareholders; and

- The adoption of a compensation clawback policy for the recovery of compensation paid to the executive officers in the event of misappropriation and of a non-hedging policy prohibiting hedge transactions discourages unjustified risk-taking.

The Human Resources Committee has retained the services of its external compensation consultant, PCI, to review the risks arising from the Corporation's compensation policies and practices. After conducting an in-depth review of the risks associated with compensation, the Corporation concluded that there were no risks that could have a material adverse effect on the Corporation.

REFERENCE GROUP The reference group used by the Corporation to determine all aspects of NEO compensation and to review its policies in this regard is comprised of the following Canadian public companies:

Loblaw Companies Limited;	Shoppers Drug Mart Inc.;
Empire Company Limited;	Canadian Tire Corporation, Limited;
Alimentation Couche-Tard Inc.;	Sears Canada Inc.;
Maple Leaf Foods Inc.;	RONA Inc.;
Saputo Inc.;	The Jean Coutu Group (PJC) Inc.

The above mentioned companies were selected on the basis of the following criteria:

- Comparable size to the Corporation in terms of sales and stock market capitalization;
- Comparable industry sectors, namely: retail, distribution or Canadian food manufacturing;
- Sale of consumer staples;
- Operations carried out under various banners or trade names; and
- Comparable geographical scope of operations.

The following table shows how the Corporation compares to the median of the reference group with respect to various financial measures:

	Sales[(1)]	EBITDA[(2)]	ROE[(3)]	Market Capitalization[(4)]
Median of the Reference Group	$9,040	$902	13.0%	$6,552
METRO INC.	$11,675	$823	19.8%	$5,691

(1) In millions of dollars. The financial data is for the 2012 financial year and has been obtained from various annual reports and financial Internet Websites.
(2) EBITDA: Earnings before interests, taxes, depreciation and amortization. In millions of dollars. The financial data is for the 2012 financial year and has been obtained from various annual reports and financial Internet Websites.
(3) ROE: Return on Equity. The financial data is for the 2012 financial year and has been obtained from various annual reports and financial Internet Websites.
(4) In millions of dollars. The financial data is dated October 28, 2013, and reflects the number of Shares outstanding, obtained from the most recent annual reports, multiplied by the closing price on that date.

PERFORMANCE-BASED COMPENSATION The compensation policies for executives are intended to adequately compensate their services while establishing a correlation between their compensation and the Corporation's financial performance. The NEOs' total compensation percentage under the AIP is shown in the column entitled "AIP" in the following table. The NEOs' total compensation percentage under the LTIP is shown in the column entitled "LTIP" in said table. The base salary of the NEOs is fixed whereas the portion of the compensation attributed under the AIP and the LTIP varies in accordance with the performance of the Corporation and the results obtained. A significant part of the NEOs' compensation is therefore based on performance and includes a risk-based component, as further indicated in the following table. It should also be noted that the amount of at-risk compensation increases as the level of responsibility associated with a given position increases. The total compensation is based on the median of the reference group.

	Percentage of Total Target Direct Compensation for Financial Year 2013[(1)]			
Name and principal occupation	**Base Salary**	**AIP**	**LTIP[(2)]**	**At Risk Compensation[(3)]**
Eric R. La Flèche President and Chief Executive Officer	27%	24%	49%	73%
François Thibault Senior Vice-President, Chief Financial Officer and Treasurer	46%	23%	31%	54%
Johanne Choinière Senior Vice-President, Ontario Division	46%	23%	31%	54%
Christian Bourbonnière Senior Vice-President, Quebec Division	46%	23%	31%	54%
Serge Boulanger Senior Vice-President, National Procurement and Corporate Brands	51%	25%	24%	49%

(1) Target total direct compensation includes base salary and short-term and long-term compensation but excludes benefits and pension plans.
(2) The LTIP includes the Option Plan and the PSU Plan.
(3) At-risk compensation represents the sum of the AIP and the LTIP.

DESCRIPTION OF NEO COMPENSATION COMPONENTS

BASE SALARY Competitive salaries allow the Corporation to hire and retain competent individuals who will help improve the Corporation's performance and create value for its shareholders.

The base salary of each NEO is based on the median for the reference group as determined by compensation surveys conducted by the Corporation or by consulting firms, adjusted to take into account specific circumstances such as an individual's level of responsibility and experience.

The base salary is reviewed annually according to the individual's performance, the Corporation's performance and market data for the reference group.

ANNUAL INCENTIVE PLAN (AIP) The AIP is intended to compensate the achievement and overachievement of performance objectives for a given financial year. The AIP consists of a percentage of the Corporation's executives' base salary payable annually as a cash bonus in consideration for his achievement or overachievement of certain annual objectives. The President and Chief Executive Officer may also, under specific circumstances justifying same, grant executive officers (excluding himself), part of their compensation under the AIP despite their failure to achieve certain performance objectives. All such grants made by the President and Chief Executive Officer are subject to the Human Resources Committee's prior approval, and in the case of the Vice-President, Chief Financial Officer and Treasurer, the Board's approval, and are limited to an aggregate amount equal to 5% of all executive officers' base salaries.

For the 2013 financial year, the bonus can reach up to 120% of the base salary for the President and Chief Executive Officer and 75% for the other NEOs.

The objectives to be met under the AIP are threefold: (i) corporate goals related to adjusted annual net earnings are established each year based on the budgeted adjusted annual net earnings. Performance goals are based on the achievement of targets set between 96% and 102% of the budgeted adjusted annual net earnings. Each goal has a bonus associated therewith which consists of a percentage of the base annual salary; (ii) divisional goals based on the achievement of targets set between 95% and 101% of the budgeted contribution of the principal divisions of the Corporation, each target having a bonus associated therewith which consists of a percentage of the base annual salary; and (iii) financial or commercial sector-based goals relating to one or more of the Corporation's divisions and the specific sector for which the NEO is responsible, as the case may be, such as: achieving and exceeding sales targets, customer loyalty, customer satisfaction, succession planning and the successful deployment of significant operational initiatives.

The Corporation will not provide further details about the AIP targets as it believes that the disclosure of this information could seriously prejudice its interests and as same constitutes strategic confidential information. In light of the fact that the Corporation does not publicly disclose its budgetary targets and does not wish to give forward-looking information, the Corporation believes that it is not desirable to disclose such information. Furthermore, the divisional and sector-based goals are aligned with the division's main priorities and consist of financial targets and specific ongoing projects which are highly strategic and have yet to be completed; the disclosure of same could therefore greatly jeopardize their completion. Lastly, it is the Corporation's policy not to disclose information on an unconsolidated basis. Consequently, the Corporation is unable to disclose information on divisional and sector-based goals.

The total target compensation percentage of the NEOs under the AIP is shown in the column entitled "AIP" in the table found in the "Performance-based Compensation" section on page 23 of this Circular. The percentage of total compensation relating to undisclosed objectives for the 2013 financial year for each NEO is the following:

Name and principal occupation	**% of compensation relating to undisclosed objectives versus total compensation**
Eric R. La Flèche President and Chief Executive Officer	7%
François Thibault Senior Vice-President, Chief Financial Officer and Treasurer	13%
Johanne Choinière Senior Vice-President, Ontario Division	5%
Christian Bourbonnière Senior Vice-President, Quebec Division	20%
Serge Boulanger Senior Vice-President, National Procurement and Corporate Brands	18%

Each year, new performance objectives (corporate, divisional and sector-based) are established under the AIP at a high but attainable level. The objectives are reviewed on an annual basis by the Human Resources Committee to ensure that the highest level of performance is established while also being achievable. The Corporation believes that the AIP performance objectives are established at a sufficiently high level to encourage NEOs to exceed expectations, which, in the opinion of the Corporation, has a positive impact on its performance.

More information on bonuses paid under the AIP is available in the "Annual Incentive Plan for the 2013 Financial Year" section on page 29 of this Circular.

LONG-TERM INCENTIVE PLAN (LTIP) The main goal of the LTIP is to motivate the Corporation's executives to create long-term economic value for the Corporation and its shareholders by linking a significant portion of their compensation to such creation of value. The LTIP is a factor which contributes to the retention of senior executives.

The LTIP is made up of the Option Plan and the PSU Plan. The Option Plan is more fully described in the "Option Plan" section on pages 37 and 38 of this Circular. The PSU Plan is more fully described in the "Performance Share Unit Plan" section on pages 38 and 39 of this Circular.

The Option and PSU grant policy for executives provides for annual grants. Any holder of Options awarded under the Option Plan must wait for a period of two (2) years from the grant, after which time the Options are exercisable in cumulative increments of 20% each year. The Options granted to date have a total term of seven (7) years. The PSUs granted thus far vest three (3) years following their grant date.

Other than the annual grants to the President and Chief Executive Officer, annual grants to NEOs under the Plans are determined according to the salary. These grants, namely the number of Options multiplied by the exercise price, may overall represent 100% to 125% of the NEOs base salary. Grants to the President and Chief Executive Officer are set out in his employment contract and are described in the "Employment Contract" section on page 27 of this Circular.

Prior grants are not taken into account in the determination of the number of Shares covered by any Option and PSU to be granted, except in the case of special grants hereinafter described. The Board of Directors may, at its sole discretion, grant additional Options and PSUs to executives under specific circumstances, such as appointments, promotions or change of duties.

To determine the estimated value of all Option grants, the Corporation was using until 2011, a historical factor of 30% multiplied by the exercise price of the Option, which corresponded to the closing price of the Share on the day prior to the grant. The value of the Option so obtained was multiplied by the number of underlying Shares in order to estimate the total value of the Option awarded to an executive for purposes of comparing with the reference group and disclosure in the summary compensation table found in this Circular. The 30% historical factor did not necessarily correspond to the Black-Scholes value disclosed in the consolidated financial statements of the Corporation for the year in question.

As of 2012, for harmonization, market comparison and disclosure purposes, instead of the 30% historical factor described above, the Corporation has decided to use the Black-Scholes value which is equivalent to the Option value reported in the Corporation's consolidated financial statements. The assumptions used in the evaluation of Option grants according to the Black-Scholes model for grants to NEOs on April 26, 2013 are the following:

Grant Date	**April 26, 2013**
Exercice Price	$66.29
Expected life (in years)	5.4
Expected Volatility of Share (%)	21.0
Risk-free interest rate (%)	1.2
Dividend rate (%)	1.5
Black-Scholes value of each underlying Share	$11.33

The above mentioned assumptions are used in the calculation of the Black-Scholes value for Options granted by the Corporation during the 2013 financial year which is set out in note 22 to the 2013 consolidated financial statements of the Corporation.

Notwithstanding the estimated value of Option grants, the number of Options granted is calculated, as it was always the case in the past, by dividing a percentage of the NEO's salary by the closing price of the Share on the day preceding the Option grant, except for the President and Chief Executive Officer, for whom the number of Options is set out in his employment contract (please refer to the "Employment Contract" section on page 27 of this Circular).

PSUs entitle their holder to receive Shares or, at the discretion of the Corporation, a cash equivalent, in whole or in part, on the vesting date. Each grant includes three (3) levels of PSUs, in accordance with the achievement of certain financial performance objectives determined from time to time by the Corporation's Human Resources Committee and approved by the Board of Directors.

There are currently five (5) annual performance objectives used to determine the PSU level reached. They are based on the Corporation's return on shareholders' equity ("ROE") compared to three (3) preset target levels, and on the Corporation's adjusted earnings per share growth ("EPSG") compared to a reference group comprised of its two (2) main competitors, namely: Loblaw Companies Limited and Empire Company Limited. In 2013, the PSU objectives were measured according to the following five (5) criteria:

- ROE higher than 18%;
- ROE higher than 18.5%;
- ROE higher than 19%;
- EPSG higher than Loblaw Companies Limited's EPSG; and
- EPSG higher than Empire Company Limited's EPSG.

In preceding years, the PSU objectives were measured according to the same EPSG criteria whereas the ROE criteria were as follows:

2012

- ROE higher than 17%;
- ROE higher than 17.5%;
- ROE higher than 18%.

2011

- ROE higher than 14.5%;
- ROE higher than 15%;
- ROE higher than 15.5%.

The ROE and the EPSG are determined in accordance with the International Financial Reporting Standards ("IFRS"). The PSU level reached is determined three (3) years after PSUs are granted on the basis of the above-mentioned five (5) annual performance criteria (i.e. based on a total of 15 performance criteria for their three-year term), and is calculated as follows at the end of the third year: i) Level 2 = achievement of at least seven (7) of the 15 performance criteria; and ii) Level 3 = achievement of at least 12 of the 15 performance criteria. If Level 2 is not reached, the holder will be entitled to the number of PSUs for Level 1. Level 2 for PSUs granted as of the year 2013 requires the achievement of at least eight (8) of the 15 performance criteria.

The Human Resources Committee reviews the objectives and criteria of the PSU Plan on an annual basis to ensure that the highest level of performance is established while also making sure it is achievable**.** This year, the Board of Directors of the Corporation, upon recommendation of the Human Resources Committee increased the objectives of the PSU Plan based on the Corporation's ROE. The Corporation believes that the PSU Plan performance objectives are established at a high yet reachable level, so as to encourage executives to exceed expectations, which, in the opinion of the Corporation, has a positive impact on the Corporation's performance.

PENSION PLANS The Corporation's pension plans are designed to offer executives a reasonable pension and compensate them for their years of service.

The NEOs' pension benefits are provided under a basic plan and a supplemental plan, both of the non-contributory defined benefit type. Both plans combined provide a pension equal to two percent (2%) of the final average salary multiplied by the number of years of credited service; the final average salary consists of the annual average base salary received by the participant during the 36 consecutive months that were most highly compensated. The pension benefits are paid in addition to government pension benefits and the normal form of pension is a lifetime pension with a guarantee of 120 monthly payments. NEOs may elect early retirement as of the age of 55, subject however to a reduction of 0.5% for each month between the date of retirement and age 60.

The following table illustrates an example of, the annual benefits payable under both plans combined when the normal age of retirement is reached (age 65), in accordance with the final average salary and the years of credited service under these plans.

	Years of credited service						
Final average salary ($)	**5**	**10**	**15**	**20**	**25**	**30**	**35**
300,000	30,000	60,000	90,000	120,000	150,000	180,000	210,000
400,000	40,000	80,000	120,000	160,000	200,000	240,000	280,000
500,000	50,000	100,000	150,000	200,000	250,000	300,000	350,000
600,000	60,000	120,000	180,000	240,000	300,000	360,000	420,000
700,000	70,000	140,000	210,000	280,000	350,000	420,000	490,000
800,000	80,000	160,000	240,000	320,000	400,000	480,000	560,000
900,000	90,000	180,000	270,000	360,000	450,000	540,000	630,000
1,000,000	100,000	200,000	300,000	400,000	500,000	600,000	700,000

BENEFITS AND PERQUISITES The NEOs are also entitled to benefits comparable to those offered to executives of a similar level including health care and dental coverage, short and long-term disability and life insurance. The costs of these benefits are at the expense of the Corporation, except for long-term disability and optional plan costs, which are at the expense of the executives. The Corporation provides the NEOs with an automobile, at the Corporation's costs.

EMPLOYMENT CONTRACT The President and Chief Executive Officer, Mr. Eric R. La Flèche, is the only person who has an employment contract with the Corporation. This contract, which came into effect on April 15, 2008, has an indefinite term, and sets out the terms and modalities of his compensation as President and Chief Executive Officer.

Mr. La Flèche's base salary is adjusted annually by the Board of Directors upon the recommendation of the Corporation's Human Resources Committee in the same manner, and according to the same criteria as those used for the other NEOs. The annual incentive plan for Mr. La Flèche includes a maximum cash bonus of up to 120% of his base salary. The President and Chief Executive Officer also benefits from a greater participation in the Corporation's Option Plan and PSU Plan. Pursuant to Mr. La Flèche's employment contract, and subject to any required authorizations, as the case may be, the Corporation granted him, for each of the 2011 and 2012 years, an Option to purchase 75,000 Shares. The Corporation also undertook to grant Mr. La Flèche, for each of those years, PSUs of a value which ranged from 60% to 100% of his annual base salary on the grant date, depending on the extent to which the objectives set under the PSU Plan, which were identical to those of the other NEOs, have been met. The performance criteria for the PSUs granted to Mr. La Flèche are the same as those described in "Long-Term Incentive Plan" section on pages 25 and 26 of this Circular.

The employment contract of Mr. La Flèche was amended in 2013 to review the number of Options and PSUs which Mr. La Flèche is entitled to in 2013 and the following years. Subject to any required authorizations, as the case may be, the Corporation granted Mr. La Flèche, for the 2013 year, an Option to purchase 60,000 Shares and undertook to grant him an Option to purchase the same amount of Shares in 2014. The Corporation and Mr. La Flèche will negotiate future Option grants in January 2015. Between 2013 and 2017 inclusively, the Corporation also undertook to grant annually to Mr. La Flèche a number of PSUs having a value equal to: 60% of his base annual salary for Level 1; 90% of his base annual salary for Level 2; and 120% of his base annual salary for Level 3. The Corporation and Mr. La Flèche will negotiate future PSU grants in January 2018. All other terms and conditions under Mr. La Flèche's employment contract remain the same.

The conditions of exercise of Mr. La Flèche's Options and PSUs are substantially similar to those of Options and PSUs granted pursuant to the Plans. For other specific conditions applicable to Mr. La Flèche, please refer to the "Termination of Employment or Change of Control Benefits" section on pages 39 and 40 of this Circular.

MINIMUM HOLDING OF SHARES AND PSUs BY NEOs The NEOs and other executives are required to hold a certain number of Shares and PSUs. The President and Chief Executive Officer is required to hold Shares and PSUs of a value equal to at least three (3) times his annual base salary. The other NEOs are required to hold Shares and PSUs of a value equal to at least one and one-half (1½) times their annual base salary and the other executives are required to hold Shares and PSUs of a value equal to at least one (1) time their annual base salary. The minimum holding requirement must be met within five (5) years of the date upon which each may exercise an Option under the Option Plan for the first time or within three (3) years of the appointment of the NEO if said NEO previously held a management position within the Corporation. All PSU holders must keep a portion of the Shares they receive on the vesting date if they have not yet met this minimum holding requirement. The President and Chief Executive Officer is required to continuously hold Shares and PSUs in accordance with the minimum holding requirement herein above-mentioned for one (1) year following retirement or resignation. The other NEOs are required to comply with the minimum holding requirement for six (6) months following retirement or resignation.

The following table indicates, with respect to each NEO, the value of the Shares and PSUs held as well as a confirmation of compliance with the minimum holding requirement. In accordance with its policy, the Corporation considers the following two (2) elements in determining compliance with this requirement: i) Shares of the Corporation held by each NEO; and ii) half of the PSUs granted but not yet vested according to the level corresponding to the objectives achieved when such determination is made.

Name	Minimum holding requirement	Value of securities held at the end of the financial year ($)[1]	Compliance with requirement at the end of the financial year
Eric R. La Flèche	3 x base salary	6,161,597	Yes
François Thibault[2]	1.5 x base salary	117,827	No[2]
Johanne Choinière	1.5 x base salary	1,808,642	Yes
Christian Bourbonnière	1.5 x base salary	1,083,392	Yes
Serge Boulanger	1.5 x base salary	684,691	Yes

[1] *Value calculated using the closing price on September 27, 2013 ($64.74).*
[2] *Mr. François Thibault joined the Corporation on August 1, 2012.*

The dollar values of each NEO's equity-based holdings, based on the closing price of the Share on September 27, 2013 ($64.74), are set forth in the following table:

Name	Value of Shares held ($)	Value of unexercised in-the-money Options ($)		Value of PSUs not vested ($)	Total ($)
		Vested	Not Vested		
Eric R. La Flèche	4,936,166	4,907,000	5,267,600	2,450,862	17,561,628
François Thibault	_	_	164,580	235,654	400,234
Johanne Choinière	1,459,693	1,017,635	768,954	697,897	3,944,179
Christian Bourbonnière	773,125	480,889	686,291	620,533	2,560,838
Serge Boulanger	547,571	51,774	300,619	274,239	1,174,203

More information on Options and PSUs held by NEOs is available in the "Outstanding Share-Based Awards And Option-Based Awards" section on page 34 of this Circular.

COMPENSATION DECISIONS FOR THE 2013 FINANCIAL YEAR

HIGHLIGHTS OF THE 2013 FINANCIAL YEAR The 2013 financial year was impacted by intense competition, especially in Ontario, resulting from an increase in competitive square footage that exceeded market growth. Still, the Corporation achieved net earnings and earnings per Share growth for the year, due to good margin management, operating cost control, and our share repurchase program.

Sales for the 2013 financial year reached $11,402.8 million versus $11,674.9 million for the 2012 financial year. Excluding the 53rd week of the 2012 financial year, our 2013 financial year sales were down 0.4% compared to fiscal 2012. Very low food inflation, increased competition, the closure of underperforming stores, and temporary problems at our pharmaceutical product warehouse caused sales to dip.

In the second quarter of the 2013 financial year, the Corporation sold nearly half of its investment in Alimentation Couche-Tard Inc. to three (3) financial institutions for a cash consideration of $479.0 million and a pre-tax gain of $307.8 million ($266.4 million post tax).

To better meet customer needs and reduce operating costs, the Corporation decided in the fourth quarter of 2013 to proceed over the coming months with a reorganization of its Ontario store network. This will include the conversion of certain Metro stores to the Food Basics discount banner, the buyout of some collective agreements, the offer of early exit to some employees and the closure of a few stores. Non-recurring reorganization costs of $40.0 million ($29.4 million post-tax) were recorded in the fourth quarter of 2013.

Excluding the 2013 financial year gain on disposal of part of the Corporation's investment in Alimentation Couche-Tard Inc. of $266.4 million after taxes and reorganization cost of $29.4 million after taxes, adjusted net earnings from continuing operations for the 2013 financial year were $478.4 million versus $460.5 million last year (based on 52 weeks), an increase of 3.9%. The adjusted fully diluted net earnings per share from continuing operations for 2013 were $4.92 versus $4.55 last year, an increase of 8.1%.

BASE SALARY FOR THE 2013 FINANCIAL YEAR The base salary of each NEO was determined according to the factors referred to in the "Base Salary" section on page 23 of this Circular. The Human Resources Committee is satisfied with the relevancy of the base salary.

ANNUAL INCENTIVE PLAN FOR THE 2013 FINANCIAL YEAR The adjusted net earnings from continuing operations for the 2013 financial year were at $478.4 million and, considering the disposal of part of the Corporation's investment in Alimentation Couche-Tard Inc., the target corporate goal of 100% was reached. The 100% divisional target goal with respect to the budgeted contribution for the Quebec division was met whereas the Ontario division did not meet its budgeted contribution goals. Most of the sector-based goals of each NEO were reached. The following table shows the target bonus, maximum bonus and bonus earned for each NEO.

Name	Target bonus as a % of salary	Maximum bonus as a % of salary	Bonus earned as a % of salary	Bonus earned $[(1)]
Eric R. La Flèche	90%	120%	82%	674,450
François Thibault	50%	75%	53%	241,223
Johanne Choinière	50%	75%	26%	106,600
Christian Bourbonnière	50%	75%	60%	222,277
Serge Boulanger	50%	75%	55%	176,000

[(1)] The bonus is calculated based on the base salary in effect on January 1, 2013.

The Human Resources Committee, upon recommendation of the President and Chief Executive Officer, and the Board of Directors, with respect to the President and Chief Executive Officer and the Senior Vice-President, Chief Financial Officer, granted the NEOs negligible compensation adjustments under the AIP with respect to certain non-financial objectives in their sector despite having narrowly missed said objectives. These AIP compensation adjustments for NEOs amount to $76,853 and have been granted given that it has been determined that the objectives have been substantially reached.

LONG-TERM INCENTIVE PLAN FOR THE 2013 FINANCIAL YEAR The Option and PSU awards granted during the 2013 financial year were determined according to the factors described in the "Long-Term Incentive Plan" section on pages 25 and 26 of this Circular. It should be noted that the number of PSUs is calculated by dividing a percentage of the NEO's salary by the closing price of the Share on the day preceding the PSU grant. The following table shows, for each NEO, the percentage of the salary which was used to determine the number of PSUs granted per level for the 2013 financial year, as well as the number of PSUs granted and their value. The PSUs were granted to each NEO on January 31, 2013, and to Mr. La Flèche also on April 26, 2013.

2013 PSU grants

Name	Level 1			Level 2			Level 3		
	% of salary	Number of PSUs[(1)]	Value ($)[(2)]	% of salary	Number of PSUs[(1)]	Value ($)[(2)]	% of salary	Number of PSUs[(1)]	Value ($)[(2)]
Eric R. La Flèche	60%	7,837	492,007	90%	11,755	742,563	120%	15,674	993,185
François Thibault[(3)]	30%	3,640	228,519	45%	5,960	374,169	60%	8,280	519,818
Johanne Choinière	30%	1,959	122,986	45%	2,939	184,510	60%	3,918	245,972
Christian Bourbonnière	30%	1,730	108,609	45%	2,595	162,914	60%	3,460	217,219
Serge Boulanger	25%	1,195	75,022	30%	1,434	90,027	35%	1,673	105,031

(1) The number of PSUs indicated per level is not cumulative.

(2) Value calculated using the closing price of the Share on the day preceding the January 2013 PSU grant ($66.29) and the April 2013 PSU grant ($62.78).

(3) On January 31, 2013, Mr. François Thibault received a special PSU grant in addition to his regular grant. Said special grant is detailed as follows: Level 1: 1,000 PSUs; Level 2: 2,000 PSUs; and Level 3: 3,000 PSUs. The number of PSUs issued with reference to the special grant is included in the PSU numbers provided in the hereinabove table. Nevertheless, the salary percentages provided in the hereinabove table for the three (3) levels do not take into account the special grant.

It should be noted that four (4) out of five (5) performance criteria were met for the year 2013 taking into account adjusted net earnings from continuing operations and excluding the gain from the sale by the Corporation of nearly half of its investment in Alimentation Couche-Tard Inc. Considering these adjustments, the ROE for the 2013 financial year reached 18.7%.

As for Options, it should be noted that the number of underlying Shares is calculated by dividing a percentage of the NEO's salary by the closing price of the Share on the day preceding the Option grant, except for the President and Chief Executive Officer, for whom the number of underlying Shares is set out in his employment contract (please refer to the "Employment Contract" section on page 27 of this Circular).

The following table provides details about the Options granted to each NEO for the 2013 financial year:

2013 Option grants

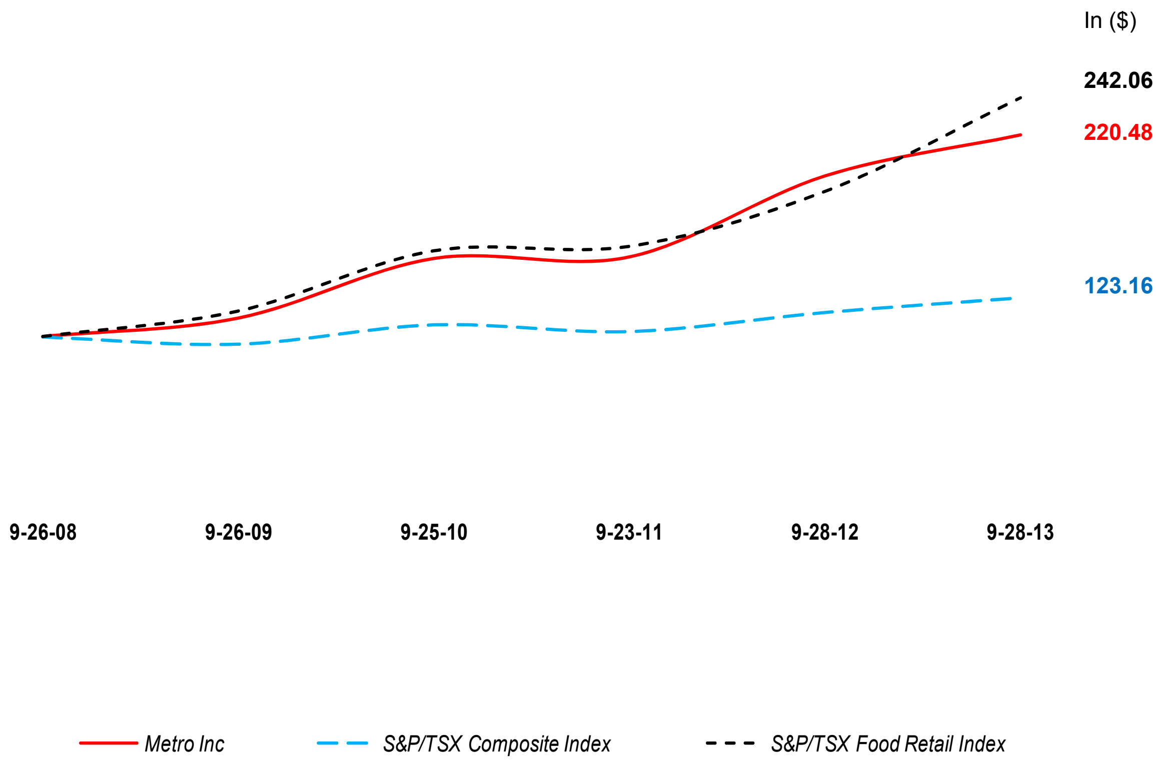
Name	Award date	Underlying securities	Expiry date	Options value ($)[(3)]
Eric R. La Flèche	2013-04-26	60,000[(1)]	2020-04-25	679,800
François Thibault	2013-04-26	8,500[(2)]	2020-04-25	96,305
Johanne Choinière	2013-04-26	7,700[(2)]	2020-04-25	87,241
Christian Bourbonnière	2013-04-26	7,200[(2)]	2020-04-25	81,576
Serge Boulanger	2013-04-26	4,500[(2)]	2020-04-25	50,985

(1) This grant is provided for in Mr. Eric R. La Flèche's employment contract. For further details, see the "Employment Contract" section on page 27 of this Circular.

(2) Annual grant under the Option Plan.

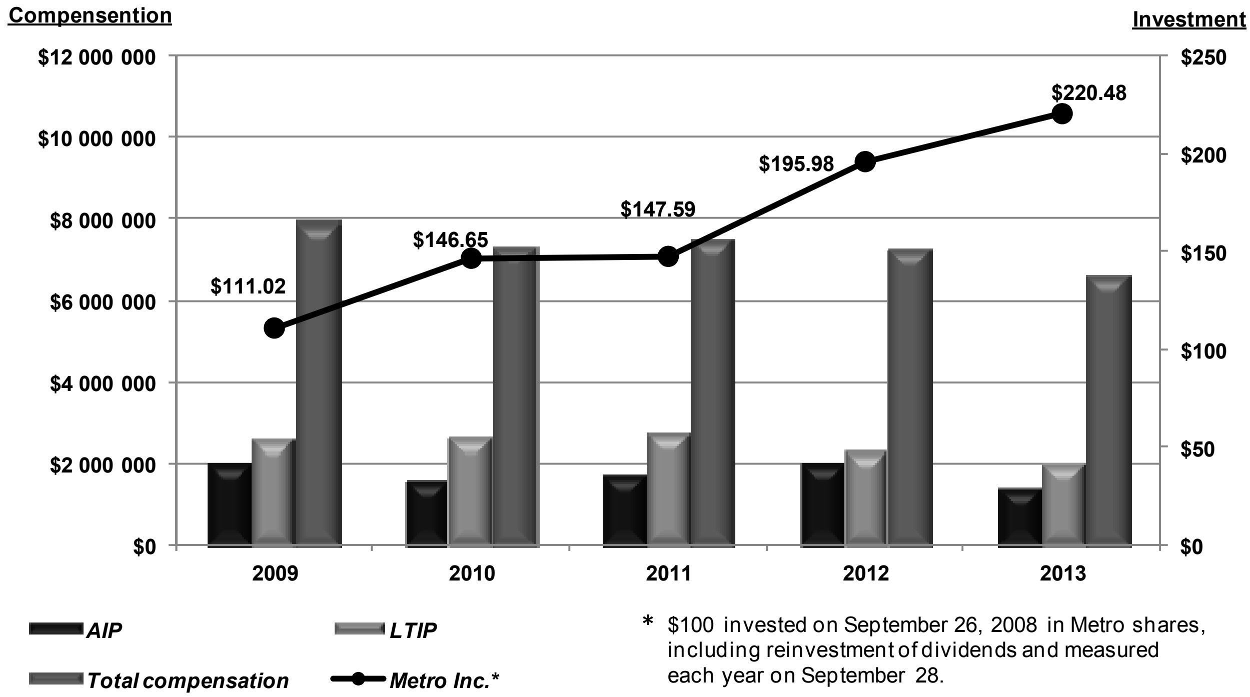
(3) Value calculated by multiplying the number of underlying Shares by their value obtained by applying the Black-Scholes model, namely $11.33 for the April 26, 2013 grants.

STOCK PERFORMANCE GRAPHS The following graph illustrates the cumulative total shareholder return on $100 invested in Shares of the Corporation in comparison to an investment in the S&P/TSX Composite Index and in the S&P/TSX Food Retail Index for the period beginning September 26, 2008 and ending September 28, 2013.



	2008	2009	2010	2011	2012	2013
METRO INC.	100	111.02	146.65	147.59	195.98	220.48
S&P/TSX Food Retail Index	100	115.15	151.01	153.67	186.34	242.06
S&P/TSX Composite Index	100	95.78	107.19	103.23	114.47	123.16

The following graph illustrates the cumulative total shareholder return on $100 invested in Shares of the Corporation, with dividend reinvestments, compared to the total annual NEO compensation for the 2009 to 2013 period.



* $100 invested on September 26, 2008 in Metro shares, including reinvestment of dividends and measured each year on September 28.

As shown by the graph, total annual NEO compensation was stable during the 2009-2013 period whereas Shareholder return was generally up. Between 2009 and 2013, total annual NEO compensation moved from $7.9M in 2009 to $6.6M in 2013 whereas the Share price moved from $34.73 in 2009 to $64.74 in 2013. It should be noted that the above graph does not illustrate the compensation earned by NEOs between years 2009 and 2013, but rather the compensation awarded to the executive officers mentioned in each of the summary compensation tables as they appear in the Corporation's management proxy circulars of years 2009 to 2013. Further details regarding total annual NEO compensation components are available in the "Summary Compensation Table" section on page 33 of this Circular.

Aggregate compensation paid to the NEOs during the 2013 financial year represented 1.38% of adjusted net earnings from continuing operations and 0.11% of market capitalization.

During the 2013 financial year, the Human Resources Committee, with the help of PCI, reviewed the overall NEO compensation, and reached the conclusion that it was appropriate, competitive and aligned with the Corporation's performance.

COMPENSATION FOR THE 2013 FINANCIAL YEAR

SUMMARY COMPENSATION TABLE The following table sets forth the NEOs' compensation for the financial years ended September 28, 2013, September 29, 2012 and September 24, 2011.

Name and Principal Position	Financial year	Salary ($)	Share-based awards ($)[(1)]	Option-based awards ($)[(2)]	Non-equity incentive plan compensation /Annual incentive plans ($)	Pension Value ($)[(3)]	All other compen-sation ($)[(4)]	Total compen-sation ($)
Eric R. La Flèche	2013	813,750	492,007	679,800	674,450	217,000	4,119	2,881,126
President and Chief	2012	804,904	476,977	778,500	938,100	162,000	3,460	3,163,941
Executive Officer	2011	767,789	464,991	1,060,650	744,000	168,000	3,395	3,208,825
François Thibault	2013	450,500	228,519	96,305	241,223	112,000	52,512	1,181,059
Senior Vice-President,	2012	76,673	—	296,920	55,281	16,000	482	445,356
Chief Financial Officer and Treasurer	2011	—	—	—	—	—	—	—
Johanne Choinière	2013	407,000	122,986	87,241	106,600	106,000	2,181	832,008
Senior Vice-President,	2012	403,500	119,417	97,572	286,560	75,000	1,768	983,817
Ontario Division	2011	387,116	117,020	145,663	146,250	74,000	1,697	871,746
Christian Bourbonnière	2013	367,462	108,609	81,576	222,277	106,000	2,068	887,992
Senior Vice-President,	2012	352,692	104,989	85,116	252,000	103,000	1,641	899,438
Quebec Division	2011	330,673	105,013	131,521	213,563	93,000	1,542	875,312
Serge Boulanger	2013	315,000	75,022	50,985	176,000	236,000	1,796	854,803
Senior Vice-President,	2012	269,231	62,504	53,976	157,385	98,000	1,281	642,377
National Procurement and Corporate Brands	2011	217,115	49,998	59,396	106,700	52,000	1,040	486,249

(1) The table was prepared using the Level 1 PSUs because it is the only level reached as at the date of this Circular. Level 2 and Level 3 have currently not been reached since they are conditional upon the future achievement of underlying objectives. The number of PSUs may increase if certain financial objectives are reached (see the table in the "2013 PSU Grants" section on page 30 of this Circular). This amount does not constitute a cash amount received by the NEO. It is an at-risk value. See the "Long-Term Incentive Plan", "Employment Contract" and "Long-Term Incentive Plan for the 2013 Financial Year" sections on pages 25, 27 and 29 respectively of this Circular for a description of the grant and valuation conditions. The accounting value of the PSUs (granted during the 2013, 2012 and 2011 financial years) reflected in the consolidated financial statements of the Corporation for the financial years ended September 28, 2013, September 29, 2012, and September 24, 2011 is different from the value on the grant date indicated in the table above. Said difference can be explained by the fact that, in the financial statements, the Corporation considers the maximum number of PSUs provided for at Level 3, given that the applicable accounting principles require it. More information on the determination of the accounting value of the PSUs can be found in note 22 to the 2013 consolidated financial statements. The accounting value of the PSUs (granted during the 2013, 2012 and 2011 financial years) reflected in the financial statements as well as the difference between the value on the grant date and the accounting value are the following:

	Accounting Value ($)			*Difference between the Value on the Grant Date and the Accounting Value ($)*		
	2013	***2012***	***2011***	***2013***	***2012***	***2011***
Eric R. La Flèche	*1,079,760*	*794,980*	*775,013*	*(587,753)*	*(318,003)*	*(310,022)*
François Thibault	*519,818*	*—*	*—*	*(291,299)*	*—*	*—*
Johanne Choinière	*245,972*	*238,781*	*233,996*	*(122,986)*	*(119,364)*	*(116,976)*
Christian Bourbonnière	*217,219*	*209,979*	*209,983*	*(108,610)*	*(104,989)*	*(104,970)*
Serge Boulanger	*105,030*	*87,527*	*69,980*	*(30,008)*	*(25,023)*	*(19,982)*

(2) The 2013, 2012 and 2011 compensation values are all estimated values and not cash value amounts received by a NEO. Accordingly, these at-risk values may be null, as the case may be. For further details, please refer to the "Long-Term Incentive Plan", "Employment Contract" and "Long-Term Incentive Plan for the 2013 Financial Year" sections on pages 25, 27 and 29 respectively of this Circular for the description of the grant and valuation conditions. The 2013 compensation value indicated for this component is determined using the Black-Scholes model and relies on the same assumptions as those used by the Corporation to determine the compensation expense associated with Option awards reported in its consolidated financial statements for the financial year ended on September 28, 2013. A Black-Scholes value is calculated at each grant date. The assumptions used to value Options according to the Black-Scholes model for the grants on April 26, 2013 are those described in the "Long-Term Incentive Plan" section on page 25 of this Circular.

Additional information regarding the manner upon which the accounting value of the Options was determined and the Black-Scholes value for all of the Options awarded by the Corporation during the financial years ended on September 28, 2013 and September 29, 2012 may be found in note 22 to the consolidated financial statements.

The value of the compensation indicated for this item in 2011 is calculated based on a historical factor of 30% which differs from the Black-Scholes value used to calculate the accounting value of the Options (granted during the 2011 financial year) in the consolidated financial statements of the Corporation for the financial year ended on September 24, 2011. Hence, there is a difference between the two (2) values because, from the standpoint of the financial statements, the Corporation calculated the accounting value on each grant date using the Black-Scholes model rather than using a historical factor to calculate the value on the grant date.

Had the Corporation used the historical factor of 30% for year 2012, the value of the Options would have been as follows: Eric R. La Flèche: $1,195,875, François Thibault: $455,598, Johanne Choinière: $149,883, Christian Bourbonnière: $130,749 and Serge Boulanger: $91,676. Had the Corporation used the historical factor of 30% for year 2013, the value of the Options would have been as follows: Eric R. La Flèche: $1,193,220, François Thibault: $169,040, Johanne Choinière: $153,130, Christian Bourbonnière: $143,186 and Serge Boulanger: $89,492.

The accounting value of the Options (granted during the 2011 financial year) and the difference between said accounting value and the value at the grant date are as follows:

	Accounting Value ($)	*Difference between the Value on the Grant Date and the Accounting Value ($)*
	2011	***2011***
Eric R. La Flèche	*721,500*	*339,150*
François Thibault	*—*	*—*
Johanne Choinière	*99,086*	*46,577*
Christian Bourbonnière	*89,466*	*42,055*
Serge Boulanger	*40,404*	*18,992*

(3) The variations attributable to compensation components represent the value of the projected pension benefits earned during the periods beginning October 1, 2012 and ending September 30, 2013 for the 2013 financial year, beginning October 1, 2011 and ending September 30, 2012 for the 2012 financial year, and beginning October 1, 2010 and ending September 30, 2011 for the 2011 financial year, taking into account all gains and losses in connection with the salary variations. The amounts shown above are in accordance with the information set forth in note 22 to the 2013 consolidated financial statements.

(4) The amounts represent life insurance premiums paid by the Corporation for the NEOs with the exception of Mr. François Thibault who, in addition to life insurance premiums paid by the Corporation, received during the 2013 financial year an amount of $50,000 for joining the Corporation. The value of perquisites for each NEOs does not exceed $50,000 or 10% of the total annual base salary of each NEO.

INCENTIVE PLAN AWARDS

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS The following table shows, as at September 28, 2013 for each NEO, the Option-based awards which have not been exercised, and the Share-based awards (under the PSU Plan) which have not yet vested.

	Option-based awards							Share-based awards		
	Number of securities underlying unexercised Options				Value of unexercised in-the-money Options at financial year-end ($)(1)					
Name	Vested	Not vested	Option exercise price ($)	Option expiration date	Vested	Not Vested	Total	Number of Share-based awards that have not vested (2)	Market or payout value of Share-based awards that have not vested ($)(3)	Vesting date
Eric R. La Flèche	70,000	40,000	24.73	April 17, 2015	2,800,700	1,600,400	4,401,100	18,074	1,170,111	Jan. 27, 2014
	45,000	30,000	37.50	April 26, 2016	1,225,800	817,200	2,043,000	11,946	773,384	Feb. 2, 2015
	30,000	45,000	44.19	April 22, 2017	616,500	924,750	1,541,250	7,837	507,367	Jan. 31, 2016
	15,000	60,000	47.14	April 21, 2018	264,000	1,056,000	1,320,000	—	—	—
	—	75,000	53.15	April 19, 2019	—	869,250	869,250	—	—	—
	—	60,000	66.29	April 25, 2020	—	—	—	—	—	—
	160,000	**310,000**	—	—	**4,907,000**	**5,267,600**	**10,174,600**	**37,857**	**2,450,862**	—
François Thibault	—	26,000	58.41	Aug. 12, 2019	—	164,580	164,580	—	—	—
	—	8,500	66.29	April 25, 2020	—	—	—	3,640	235,654	Jan. 31, 2016
	—	**34,500**	—	—	—	**164,580**	**164,580**	**3,640**	**235,654**	—
Johanne Choinière	—	2,000	24.73	April 17, 2015	—	80,020	80,020	5,457	353,286	Jan. 27, 2014
	20,000	5,000	29.63	Sept. 22, 2015	702,200	175,550	877,750	3,364	217,785	Feb. 2, 2015
	7,020	4,680	37.50	April 26, 2016	191,225	127,483	318,708	1,959	126,826	Jan. 31, 2016
	4,280	6,420	44.19	April 22, 2017	87,954	131,931	219,885	—	—	—
	2,060	8,240	47.14	April 21, 2018	36,256	145,024	181,280	—	—	—
	—	9,400	53.15	April 19, 2019	—	108,946	108,946	—	—	—
	—	7,700	66.29	April 25, 2020	—	—	—	—	—	—
	33,360	**43,440**	—	—	**1,017,635**	**768,954**	**1,786,589**	**10,780**	**697,897**	—
Christian Bourbonnière	—	880	24.73	April 17, 2015	—	35,209	35,209	4,897	317,032	Jan. 27, 2014
	5,000	5,000	29.63	Sept. 22, 2015	175,550	175,550	351,100	2,958	191,501	Feb. 2, 2015
	7,020	4,680	37.50	April 26, 2016	191,225	127,483	318,708	1,730	112,000	Jan. 31, 2016
	3,960	5,940	44.19	April 22, 2017	81,378	122,067	203,445	—	—	—
	1,860	7,440	47.14	April 21, 2018	32,736	130,944	163,680	—	—	—
	—	8,200	53.15	April 19, 2019	—	95,038	95,038	—	—	—
	—	7,200	66.29	April 25, 2020	—	—	—	—	—	—
	17,840	**39,340**	—	—	**480,889**	**686,291**	**1,167,180**	**9,585**	**620,533**	—
Serge Boulanger	—	1,620	24.73	April 17, 2015	—	64,816	64,816	1,632	105,656	Jan. 27, 2014
	—	2,120	37.50	April 26, 2016	—	57,749	57,749	1,409	91,219	Feb. 2, 2015
	1,800	2,700	44.19	April 22, 2017	36,990	55,485	92,475	1,195	77,364	Jan. 31, 2016
	840	3,360	47.14	April 21, 2018	14,784	59,136	73,920	—	—	—
	—	5,200	53.15	April 19, 2019	—	60,268	60,268	—	—	—
	—	500	58.41	Aug. 12, 2019	—	3,165	3,165	—	—	—
	—	4,500	66.29	April 25, 2020	—	—	—	—	—	—
	2,640	**20,000**	—	—	**51,774**	**300,619**	**352,393**	**4,236**	**274,239**	—

(1) Based on the difference between the closing price of the Share on September 27, 2013 ($64.74) and the Option exercise price.

(2) Number of PSUs which the NEO may obtain based on the financial return objectives reached at the end of the 2013 financial year.

(3) Value determined using the number of PSUs which the NEO could obtain based on the financial return objectives reached at the end of the 2013 financial year, and based on the closing price on September 27, 2013 ($64.74). See the "Long-Term Incentive Plan" and "Employment Contract" sections on pages 25 and 27 respectively of this Circular.

INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE FINANCIAL YEAR The following table shows, for the financial year ended September 28, 2013 and with respect to each NEO, the value of the Options which vested, whether or not exercised, the PSUs which vested during said year and the value of the compensation under the AIP earned during said financial year.

Name	Option-based awards – Value vested during the financial year ($)(1)	Share-based awards – Value vested during the financial year ($)(2)	Non-equity incentive plan compensation – Value earned during the financial year ($)(3)
Eric R. La Flèche	2,702,824	1,180,076	674,450
François Thibault	—	—	241,223
Johanne Choinière	1,164,859	358,725	106,600
Christian Bourbonnière	368,675	330,411	222,277
Serge Boulanger	148,771	110,116	176,000

(1) *This amount represents the amount which would have been earned in 2013 if the Options which vested during the 2013 financial year had been exercised on their vesting date. For further details, see the table entitled "Options - Value on vesting date" on page 36 of this Circular.*
(2) *This amount represents the value of PSUs granted in 2010 which vested in 2013, based on the closing price on the day preceding their settlement date, namely January 30, 2013 ($62.78). For further details, see the table below entitled "PSUs granted in 2010 and paid in January 2013".*
(3) *This amount represents the amount earned in 2013 under the AIP.*

Please refer to the "Long-Term Incentive Plan" and "Employment Contract" sections on pages 25 and 27 respectively of this Circular for a description of the conditions for granting Options and PSU grants. The values shown in the Option-based awards and Share-based awards columns of the above table were calculated using the information found in the following two (2) tables:

PSUs granted in 2010 and paid in January 2013

Name	Number of PSUs	Value ($)(1)
Eric R. La Flèche	18,797	1,180,076
François Thibault	—	—
Johanne Choinière	5,714	358,725
Christian Bourbonnière	5,263	330,411
Serge Boulanger	1,754	110,116

(1) *Based on the Share closing price on the day preceding the settlement date, namely January 30, 2013 ($62.78).*

Options - Value on vesting date

Name	Grant Date	Number of Options vested during the financial year (#)	Share price ($)(1)	Exercise price ($)
Eric R. La Flèche	April 20, 2007	2,620	65.47	37.77
	April 18, 2008	40,000	64.93	24.73
	April 27, 2009	15,000	66.10	37.50
	April 23, 2010	15,000	65.41	44.19
	April 22, 2011	15,000	65.47	47.14
François Thibault	—	—	—	—
Johanne Choinière	April 20, 2007	1,320	65.47	37.77
	April 18, 2008	20,000	64.93	24.73
	Sept. 23, 2008	5,000	64.47	29.63
	April 27, 2009	2,340	66.10	37.50
	April 23, 2010	2,140	65.41	44.19
	April 22, 2011	2,060	65.47	47.14
Christian Bourbonnière	April 20, 2007	580	65.47	37.77
	April 18, 2008	880	64.93	24.73
	Sept. 23, 2008	5,000	64.47	29.63
	April 27, 2009	2,340	66.10	37.50
	April 23, 2010	1,980	65.41	44.19
	April 22, 2011	1,860	65.47	37.77
Serge Boulanger	April 20, 2007	680	65.47	37.77
	April 18, 2008	1,620	64.93	24.73
	April 27, 2009	1,060	66.10	37.50
	April 23, 2010	900	65.41	44.19
	April 22, 2011	840	65.47	37.77

(1) Based on the Share closing price on the day preceding the vesting date.

OPTIONS EXERCISED DURING THE LAST COMPLETED FINANCIAL YEAR The following table sets forth information regarding the exercise of Options by NEOs during the financial year ended on September 28, 2013, and the aggregate value realized upon exercising these Options.

Name	Number of Shares acquired on exercise (#)	Aggregate Value Realized ($) (1)
Eric R. La Flèche	119,500	4,889,699
François Thibault	—	—
Johanne Choinière	22,100	763,106
Christian Bourbonnière	25,020	933,328
Serge Boulanger	12,520	445,662

(1) Based on the difference between the Share closing price on the day before the Options were exercised and the exercise price of such Options.

EQUITY COMPENSATION PLAN INFORMATION The following table sets forth, as at September 28, 2013, information regarding equity compensation plans pursuant to which equity securities of the Corporation may be issued. Only the Option Plan qualifies as such.

Plan category	Number of securities to be issued upon exercise of Options (a)	Weighted-average exercise price of Options ($)(b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	1,351,180	46.12	1,463,332
Total	1,351,180	46.12	1,463,332

STOCK OPTION PLAN (OPTION PLAN) The Option Plan established for executive officers, senior managers and key employees of the Corporation, or of any of its subsidiaries, provides for the granting of non-transferable and non-assignable Options to purchase a maximum of 10,000,000 Shares. The number of Shares which can be issued at any time when Options granted are exercised under the Option Plan or in accordance with any other compensation plan of the Corporation may not exceed 10% of the number of outstanding Shares of the Corporation. The Option Plan also provides that the number of Shares which can be issued within a period of one (1) year, when Options granted are exercised under the Option Plan or in accordance with any other compensation plan of the Corporation, may not exceed 10% of the number of outstanding Shares. No employee may hold Options on more than 5% of the outstanding Shares. The subscription price of each Share linked to an Option granted pursuant to the Option Plan may under no circumstances be less than the market price of the Shares on the day preceding the date of the grant, and is payable in full when the Option is exercised. The expression “market price” means the closing price of a round lot of shares traded on the Toronto Stock Exchange on the trading day immediately preceding the date of the grant of the Option. The Board of Directors determines the other conditions governing the exercise of Options granted, including the Options’ vesting date. Generally, no Option may be exercised after the expiration of the fifth (5^{th}) year following the date upon which such Option may be first exercised, in whole or in part, or following a maximum of 10 years from the date of the grant.

The exercise period for Options which expire during a trading prohibition period, as determined in the Information Policy of the Corporation, is extended by a seven (7) business day period following the expiration of such trading prohibition period.

Unless the Board of Directors decides otherwise, the Options granted under the Option Plan expire on their expiry date or before, in the event that one (1) of the following situations occurs:

- 30 days following the resignation of the optionee or on the date the Corporation terminates the optionee’s employment without just cause;
- on the date the Corporation or one (1) of its subsidiaries terminates the optionee’s employment for just cause;
- two (2) years following the date of retirement, authorized leave or death of the optionee, but in the latter case, only for Options granted before April 11, 2006. Although the optionee cannot continue to vest, he or, as the case may be, his estate, is entitled to exercise his Options for a period of 364 days after said two-year period; and
- one (1) year after the optionee’s death for Options granted on or after April 11, 2006.

In the event of a change of control of the Corporation, all Options granted under the Option Plan may be exercised at the discretion of the optionees.

The Option Plan provides that the following amendments to the Option Plan must be submitted for shareholder approval: i) any amendment to the number of securities issuable under the Option Plan (subject to any amendment resulting from a split, a consolidation or any other similar operation); ii) any amendment which would allow non-employee directors to participate to the Option Plan on a discretionary basis; iii) any amendment which would permit any Option granted under the Option Plan to be transferable or assignable other than by will or pursuant to succession laws; iv) the addition of a cashless exercise feature, payable in cash or securities, if the wording of such feature does not provide for a full deduction of the number of underlying securities from the Option Plan reserve; v) the addition of a deferred or restricted share unit or any other provision which results in employees receiving securities while no cash consideration is received by the Corporation; vi) any reduction in the purchase price (subscription price or exercise price) of any underlying Shares after the Option has been granted or any cancellation of an Option and the substitution of such Option with a new Option with a reduced exercise price, subject to any amendment resulting from a split, a consolidation or any other similar operation; vii) any extension to the term of an Option beyond the original expiry date (subject to the initial term being extended by seven (7) business days when an Option exercise period expires during a trading prohibition period); viii) any amendment to the method of determining the purchase price (subscription price or exercise price) of each Share linked to an Option granted pursuant to the Option Plan; and ix) the addition of any form of financial assistance and any amendment to a financial assistance provision which is more favorable to employees.

The Board of Directors may, subject to its receipt of the required approvals of the regulatory authorities, and at its sole discretion, make any other amendments to the Option Plan that are not mentioned above. Without limiting the generality of the foregoing, the Board of Directors may, *inter alia*: i) make any amendment of a “housekeeping” or clerical nature or in order to clarify the Option Plan’s provisions; ii) make any amendment regarding any vesting period; iii) make any amendment to the provisions regarding the termination of an Option or the Option Plan so long as it does not entail an extension beyond the original expiry date; iv) make any amendment resulting from a split, a consolidation, a reclassification, a Share dividend declaration or any other amendment pertaining to the Shares; v) discontinue the Option Plan; and vi) grant an Option of an initial term exceeding five (5) years from the date it can be exercised for the first time so long as its term does not exceed 10 years from the date upon which the Option was granted.

The rights of an optionee shall terminate immediately upon the occurrence of one (1) of the two (2) following events:

i) if, during the optionee's service with the Corporation or an affiliated entity, or during the two-year period following the termination of such optionee's service, the optionee participates in a business operating in the grocery or pharmacy industry in either the province of Ontario or the province of Quebec, thereby competing with the Corporation; or
ii) if during or after the optionee's service with the Corporation or an affiliated entity, the optionee no longer complies with the provisions of the Policy regarding Conflicts of Interest and Professional Ethics of the Corporation.

As at November 29, 2013, 1,355,580 Shares of the Corporation may be issued on account of Option grants already made pursuant to the Option Plan, representing 1.5% of the issued and outstanding share capital of the Corporation. On said date, 2,814,512 Shares are reserved for outstanding and new Options, representing 3.1% of the issued and outstanding share capital of the Corporation.

The aggregate number of Shares of the Corporation which may be issued on account of Options granted during the 2013 financial year represents 0.25% of the issued and outstanding share capital of the Corporation at the end of said financial year.

PERFORMANCE SHARE UNIT PLAN (PSU PLAN) The Board of Directors approves the number of PSUs granted. The Human Resources Committee manages the PSU Plan and may amend it. This committee also establishes the performance objectives to be achieved, which are confirmed by the Board of Directors of the Corporation.

The vesting date of PSUs is determined on the grant date, and it shall not exceed three (3) years following said grant date. On the vesting date, each PSU entitles its holder to one (1) Share of the Corporation or, at the sole discretion of the Corporation, to a cash equivalent, or a combination of both. The PSU Plan is not dilutive with respect to the issued and outstanding Shares of the Corporation, in that PSUs are settled in Shares purchased on the secondary market and/or paid in cash. Furthermore, PSUs are not transferable or assignable.

Unless the Human Resources Committee decides otherwise, PSUs expire in the event of termination of employment of their holder for any reason whatsoever except for death or retirement.

If the PSU holder retires prior to the vesting date, he is entitled, on such vesting date, to a number of PSUs which is proportionate to the number of days between the grant date and the retirement date and the total number of days between the grant date and the PSUs’ vesting date, taking into account the performance objectives.

If the holder is deceased prior to the vesting date, the Corporation will pay to his estate, within 60 days of his death, a number of PSUs calculated in the same manner as if the holder had retired, without however taking into account the performance objectives.

In the event of a change of control of the Corporation, all PSUs will vest and will have to be paid within 120 days of the change of control, and the Human Resources Committee will thus have to determine whether the performance objectives would have otherwise been achieved at the vesting date and in which manner.

The rights of a PSU holder shall terminate immediately upon the occurrence of one (1) of the two (2) following events:

i) if, during the PSU holder's service with the Corporation or an affiliated entity, or during the two-year period following the termination of such PSU holder's service, the PSU holder participates in a business operating in the grocery or pharmacy industry in either the province of Ontario or the province of Quebec, thereby competing with the Corporation; or

ii) if during or after the PSU holder's service with the Corporation or an affiliated entity, the PSU holder no longer complies with the provisions of the Policy regarding Conflicts of Interest and Professional Ethics of the Corporation.

PENSION PLAN BENEFITS

DEFINED BENEFIT PLANS TABLE The following table illustrates the annual benefits payable at the normal age of retirement (age 65) under the basic and supplemental plans, combined, according to the final average salary and years of credited service under these plans.

		Annual benefits payable ($)					
Name	**Number of years of credited service**[(1)]	**At year-end**	**At age 65**	**Accrued value at start of year ($)**	**Compensatory change ($)**[(3)]	**Non-Compensatory change ($)**[(4)]	**Accrued value at year-end ($)**
Eric R. La Flèche	22.1[(2)]	331,600	563,800	4,279,000	217,000	-289,000	4,207,000
François Thibault	1.2	10,400	160,100	19,000	112,000	-11,000	120,000
Johanne Choinière	13.8	109,100	245,300	1,391,000	106,000	-116,000	1,381,000
Christian Bourbonnière	16.0	110,500	175,600	1,556,000	106,000	-41,000	1,621,000
Serge Boulanger	16.6[(2)]	72,400	196,000	851,000	236,000	-95,000	992,000

(1) As at September 30, 2013, Eric R. La Flèche, François Thibault, Johanne Choinière, Christian Bourbonnière and Serge Boulanger had 22.7, 1.2, 14.3, 16.5 and 17.2 years of service respectively with the Corporation. However, there is no increase in benefits as a result of the difference between the number of years of service and the number of years credited.

(2) Including 1.3 and 5.8 years under the management and professional plan for Mr. La Flèche and Mr. Boulanger respectively. These years are not considered for the purposes of the supplemental plan.

(3) The variations attributable to compensatory elements represent the value of the projected retirement benefits earned during the period beginning October 1, 2012 and ending September 30, 2013, taking into account any gain or loss related to salary variation. The amounts indicated are consistent with the information presented in note 24 to the 2013 consolidated financial statements.

(4) The variations attributable to non-compensatory elements include accrued interests on obligations at the beginning of the financial year, other realized gains and losses incurred as well as amendments to actuarial hypothesis.

There is no defined contribution pension plan for the NEOs.

TERMINATION OF EMPLOYMENT OR CHANGE OF CONTROL BENEFITS Mr. La Flèche is the only NEO who has an employment contract providing for payments or specific benefits in the event of a change of control or termination of employment.

Under his employment contract with the Corporation, Mr. La Flèche will be entitled to a termination allowance equal to twice his annual compensation (salary and AIP) if the Corporation terminates or is deemed to have terminated his employment for any reason other than death or just cause. The compensation which would have been payable to Mr. La Flèche had the Corporation terminated his employment on September 28, 2013, would have been $3,575,200. If the Corporation terminates or substantially modifies his employment duties within 24 months following a change of control of the Corporation, Mr. La Flèche will also be entitled to a termination allowance equal to twice his annual compensation (salary and AIP). The compensation which would have been payable to Mr. La Flèche had the Corporation terminated or substantially modified his employment duties on September 28, 2013 under circumstances, would also have been $3,575,200.

Furthermore, pursuant to his employment contract, if Mr. La Flèche’s employment is terminated without just cause, he will have 18 months following such termination to exercise his Options which have already vested. During that period, Mr. La Flèche may also continue to accumulate rights with respect to previously granted Options, although this provision does not have the effect of extending the term of an Option beyond its initial term.

In the event that Mr. La Flèche’s employment is terminated without just cause, the PSUs granted to him will be dealt with under the PSU Plan as if he had retired. If Mr. La Flèche was presumed to have retired at the end of the 2013 financial year, the value of the PSUs which would have vested, based on the closing price on September 27, 2013 ($64.74), would have been $1,580,513. It should be noted that, in such circumstances, said PSUs would only have been paid to him on the original vesting date the whole, in accordance with the PSU Plan.

In all other cases where Mr. La Flèche's employment is terminated or if his duties are substantially modified within 24 months following a change of control, the PSUs will be paid within 30 days thereof, and the Corporation will have to estimate the performance objectives.

The rules applicable to the Options and PSUs of the other NEOs in the event of termination of employment or change of control are described in the "Stock Option Plan" section found on page 37 of this Circular and in the "Performance Share Unit Plan" section found on page 38 of this Circular.

The following table sets forth the value of the Options which would have vested earlier and which could have been exercised, and the PSUs which would have vested earlier if a termination of employment or a change of control of the Corporation had taken place on September 28, 2013.

Name	Options ($)	PSUs ($)
Eric R. La Flèche	5,267,600	2,450,862
François Thibault	164,580	235,654
Johanne Choinière	768,954	697,897
Christian Bourbonnière	686,291	620,533
Serge Boulanger	300,619	274,239

OTHER KEY COMPENSATION POLICIES OF THE CORPORATION

EXECUTIVE COMPENSATION CLAWBACK The Board of Directors adopted an executive compensation clawback policy concerning awards made after November 15, 2011 under the Corporation's AIP and LTIP. This policy, which applies to all executives, provides that, the Board of Directors may, at its sole discretion, to the full extent permitted by applicable laws and to the extent it determines that it is in the Corporation's best interest to do so, require reimbursement of all or a portion of incentive compensation received by an executive. The Board of Directors may seek reimbursement of the incentive compensation, in whole or in part, from an executive or former executive officer if:

i) the amount of incentive compensation was calculated based upon, or contingent on, the achievement of certain financial results that were subsequently the subject of or affected by a restatement of all or a portion of the Corporation's financial statements;

ii) the executive officer engaged in gross negligence, intentional misconduct or fraud that caused or partially caused the need for the restatement; and

iii) the incentive compensation received would have been lower had the financial results been properly reported.

NO-HEDGING POLICY The Board of Directors adopted a policy prohibiting employees and directors of the Corporation from, directly or indirectly, short selling the Corporation's Shares or Options, or trading in put or call options. The purpose of this policy is to avoid speculation by employees and directors on the Corporation's Shares.

CORPORATE GOVERNANCE

The Board of Directors believes that good corporate governance is essential and the Corporation imposes to its directors, officers and employees a rigorous code of ethics.

The Corporation intends to comply as much as possible with the guidelines adopted by the Canadian Securities Administrators and with the standards of other regulatory bodies. The statement of the Corporation's corporate governance practices is set out in Exhibit G to this Circular. Additional information on the Board of Directors and its committees is set out in "The Board of Directors and its Commitees" section found on pages 13 to 17 of this Circular.

OTHER MATTERS

Management of the Corporation knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters which are not known to management should properly come before the Meeting, the enclosed form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

SHAREHOLDER PROPOSALS FOR THE 2015 ANNUAL MEETING

Proposals for any matters that persons entitled to vote at the next annual shareholders' meeting wish to raise at said meeting must be received by the Corporation by September 8, 2014, at the latest.

ADDITIONAL INFORMATION

Financial information about the Corporation can be found in the Consolidated Financial Statements and in the Management's Discussion and Analysis for the most recent financial year of the Corporation forming part of the Annual Report. This Circular as well as the Annual Information Form and the Annual Report are available on SEDAR (www.sedar.com) as well as on the Corporation's Corporate Internet Website (www.metro.ca) and the Corporation will promptly provide a copy of any such document free of charge to shareholders of the Corporation who send a written request to the following address: 11011, Maurice-Duplessis Blvd, Montréal, Quebec, H1C 1V6, to the attention of the Finance Department.

APPROVAL BY THE DIRECTORS

The content and transmission of this Circular have been approved by the directors of the Corporation.

Montréal, December 6, 2013

Simon Rivet
Corporate Secretary

EXHIBIT A

SHAREHOLDER PROPOSALS

The three (3) proposals below were submitted by the Mouvement d'éducation et de défense des actionnaires ("MÉDAC"), 82 Sherbrooke Street West, Montréal, Quebec H2X 1X3, a holder of Common Shares of the Corporation, for consideration at the meeting. The Board of Directors opposes these proposals for the reasons given after each proposals. The proposals were submitted in French by the MÉDAC and translated into English by the Corporation. On the date MÉDAC submitted its proposals, it held 75 Shares. These Shares had been held since June 21, 2010.

Proposal 1: **Gradual elimination of stock options as a form of compensation**

MÉDAC's wording:

It is proposed that *Metro* Inc. **undertake** to gradually phase out stock options as a form of variable executive compensation.

MÉDAC's Argument in support of its proposal:

As the Institute for Governance of Private and Public Organizations (IGPPO) states in its policy paper *Pay for Value: Cutting the Gordian Knot of Executive Compensation,* "It was a major mistake, and a source of many shenanigans, to make stock options a large component of executive compensation."

Executive compensation should be based on sound performance criteria over which executives have some control and that promote the creation of added long-term value for the organization. But the main aim of stock option compensation is to reward and motivate senior management by linking executive performance and the performance of the company's shares.

Such a link is far from proven. For example, the results of an analysis by Michel Magnan and Sylvie St-Onge showed that:

> "[…] between 1998 and 2008, 90% of the evolution in the quoted market prices of the big five Canadian banks are explained by characteristics of the banking sector such as low interest rates and a favourable macroeconomic context. In other words, over the last ten years, **fewer than 10% of the differences in these banks' market performances could be explained by bank-specific factors, including the decisions and initiatives of their existing CEOs, as well as numerous other factors such as their personnel, customer base, business locations and business mix.**"[1] (Translation)

This conclusion may also apply to other organizations besides banks. The following are quotes from other studies, cited by IGPPO, supporting these conclusions.

> "Research on the percentage of variation in firm performance which is explained by its CEO shows a minimum value of 3.9% (Thomas, 1988) and a maximum value of 14.7% (Wasserman, Nohira and Anand, 2001). The scope of this 'CEO effect' is much weaker than the scope of other factors, such as the industry sector and other company attributes, on the company's performance." (Mackay, 2006, p.3)

For this reason, stock options need to be progressively abandoned. This would also enable to restore in a minimum maner, or trust in the approach used by *Metro* Inc. for rewarding and motivating senior management.

THE BOARD OF DIRECTORS RECOMMENDS TO VOTE AGAINST THE PROPOSAL FOR THE FOLLOWING REASONS:

Throughout the years, the Corporation's performance and the strength of its management team have proven the Corporation's decisions regarding executive compensation were good.

[1] http://www.igopp.org/IMG/pdf/rem._des_dir._StOnge-Magnan_a08.pdf (p.26)

The Corporation considers that the Stock Option Plan is appropriate and fosters the alignment of its executive officers' interests with those of the shareholders and other stakeholders, for the following reasons, namely:

- The Stock Option Plan does not constitute the sole compensation component. There are other compensation components such as the PSU Plan and the AIP, which are also based on the Corporation's performance. The Stock Option Plan and the overall compensation are reasonably proportionate. Same can be said about the Stock Option Plan and the LTIP which are also reasonably proportionate;

- The compensation of the Corporation's executive officers, including the Stock Option Plan, is comparable to that which is offered by other Canadian public companies, including those which are included in the reference group described in this Circular, and furthermore allows the Corporation to recruit, retain and motivate talented and committed executives to achieve its business plan;

- Stock Option awards are governed by a plan which contains provisions, including those pertaining to the maximum number of underlying Shares issuable under the Plan, that have been approved by shareholders. As such, the number of Shares that may be issued as well as the exercise price are fixed, the term of the Stock Options is capped and reasonable, and their dilutive effect is limited (as at November 29, 2013: 1.5% for Stock Options already awarded and 3.1% for Shares that are reserved);

- Applicable vesting periods for Stock Options are furthermore very strict, in that an optionee may only exercise a Stock Option following a period of two (2) years from the date of grant and solely on a 20% cumulative basis per year thereafter;

- Applicable vesting periods for Stock Options as well as their 7-year term encourage the Corporation's long-term performance. As such, since the value of Stock Option is directly related to the share price appreciation, the Stock Options allow for a direct alignment of executive and shareholder interests;

- In addition to their Stock Option and Share-based compensation, executive officers must hold a minimum number of Shares and PSUs, the whole as further mentioned on page 27 of this Circular. The minimum shareholding requirement during and after employment strengthens that much more the conformity and alignment of executive, shareholder and stakeholder interests, with the intent of ensuring the Corporation's growth and sustainability; and

- Compensation components, including the Stock Option Plan, are regularly reviewed by the Human Resources Committee and its consultant to ensure that they are reasonable, competitive and do not have an unreasonable material effect on the Corporation.

In light of the foregoing, the Corporation believes that its Stock Option Plan should be maintained.

Proposal 2: **Advisory vote on executive compensation: answering expressed discontent**

MÉDAC's Wording:

It is proposed that *Metro* Inc. inform shareholders and stakeholders of the measures taken following a significant vote against the executive compensation policy.

MÉDAC's Argument in support of its proposal:

At the last annual meeting, up to 3.16% of shareholders, voted against the executive compensation policy. This vote represents almost 3 million shares.

To ensure that such shareholders receive feedback, we propose that for any vote against by more than 3%, the Board, after consulting the Executive Compensation Committee, deliberate the matter at the next meeting and immediately issue, on its website, a press release mentioning how it intends to follow-up on the expectations voiced by shareholders at the annual meeting. As for the current year, we recommend that the Board comment on the results and discuss actions taken in response to the expressed discontent.

We believe that any percentage greater than 3% is significant, this threshold being recognized by the legislation as granting organisations like ours, the right to file a proposition once more.

THE BOARD OF DIRECTORS RECOMMENDS TO VOTE AGAINST THE PROPOSAL FOR THE FOLLOWING REASONS:

The Corporation considers that the result of the vote on the executive compensation policy shows that a substantial majority of shareholders (96.84%) supports the policy. Said voting result is higher than the average voting results for Canadian public companies say-on-pay advisory votes. The Board of Directors considers that by this vote Shareholders have expressed a significant support for the Corporation's executive compensation policy. Consequently, the Corporation did not undertake any specific measure in response to the vote.

Moreover, the Corporation regularly reviews its executive compensation policy to ensure that said policy reflects best practices and emerging trends, that it is consistent with its business strategy and objectives and that it is comparable to and competitive with those of the Corporation's reference group. The various measures taken by the Corporation during the 2013 year with respect to compensation are more fully described under "Executive Compensation", on page 20 of this Circular.

In addition, the Human Resources Committee annually reviews the risks associated with the Corporation's compensation practices. As mentioned on pages 21 and 22 of this Circular, the Committee concluded that these practices limit risk-taking by the Corporation's executive officers.

Proposal 3: **Presence of women on the Board of Directors**

MÉDAC'S Wording:

It is proposed that the Board of Directors provide, at the next annual meeting, a verbal report on its efforts to increase female representation.

MÉDAC'S argument in support of its proposal:

At the last annual meeting of Shareholder, the MÉDAC got 6.33% of votes in favour of its proposal providing that Metro Inc. adopt a policy stipulating that 50% of all new nominees as member of the Board be women until such time as gender parity is achieved.

With regards to *Metro* Inc's answer to our proposal, as published in the Circular, management mentioned that "during the forthcoming years, it will emphasize, […], on recruiting women to serve on the Corporation's Board of Directors".

The aim of this proposal is therefore to ask that the Board of Directors provide a verbal report at the next annual meeting to inform shareholders of the actions undertaken to meet this commitment, given that nearly 6 million shares or 6.33% were so voted.

Recently the Ontario Securities Commission undertook a consultation process on a proposal requiring companies listed on the Toronto Stock Exchange to disclose information on the representation of women on their boards and in their senior management in Ontario.

Metro Inc. would, by disclosing its efforts in this area, demonstrate proactivity.

THE BOARD OF DIRECTORS RECOMMENDS TO VOTE AGAINST THE PROPOSAL FOR THE FOLLOWING REASONS:

The Corporation acknowledges the value of women's contribution to its Board of Directors.

This year, the Corporation proposes three (3) women among the group of 15 nominees for the position of director, including a new nominee, namely Mrs. Line Rivard. The Corporation considers that the composition of the group of nominees for the position of director that it proposes as well as the number of individuals that said group comprises, will allow the Corporation to perform efficiently and act in the best interest of the Corporation and its stakeholders. Throughout the course of the previous year, the Corporation pursued its efforts towards determining and setting forth a list of potential nominees which included several women. Said list may be used in the event that a vacancy occurs on the Board of Directors. In the forthcoming years, the corporation shall continue to emphasize and pay close attention to the recruitment of women to serve on its Board of Directors, without setting forth any minimum requirement.

More information about the director recruitment process and diversity is included under "Composition of the Board of Directors" on page 16 of this Circular.

In light of the foregoing, the Corporation considers that it is not necessary to make a verbal report on this issue.

EXHIBIT B

MANDATE OF THE BOARD OF DIRECTORS

The Board of Directors is elected by the shareholders and is responsible for the management of the affairs of the Corporation in all respects.

Corporate Governance / The Board of Directors is responsible for ensuring that the Corporation is properly governed and that the relevant corporate governance guidelines are complied with. Among other matters, consistent with the corporate governance guidelines of the Canadian Securities Administrators, the Board of Directors assumes special responsibility for the following five matters, either directly or through one of its committees: the adoption of a strategic planning process for the Corporation and its subsidiaries at least once a year which takes into consideration, if need be, any opportunities and risks of the Corporation; the identification of the principal risks associated with the Corporation's activities and the implementation of appropriate systems to manage these risks; the appointment, training, evaluation, supervision and compensation of senior management as well as succession planning; a communications policy with shareholders and the public at large; oversight of major labor relations issues and the integrity of the Corporation's internal control and management information systems.

Important Decisions / In addition to decisions requiring the Board's approval pursuant to the law or the Corporation's articles and by-laws, the Board makes all important decisions with regard to, among other matters, major investments and divestitures of significant assets.

Rules of Ethics / The Board of Directors sees that rules of ethics are established for the directors, officers and employees of the Corporation and that adequate procedures are put in place in order to ensure compliance with such rules of ethics.

Internal Governance / The Board of Directors recommends to the shareholders the nominees proposed to be elected as directors, approves the compensation and indemnities of directors and is responsible for succession planning at the Board level. The Board determines the expectations and responsibilities of directors. The Board of Directors reviews its own effectiveness as well as that of the committees of the Board and of individual directors.

Committees / The Board of Directors creates the committees which are considered advisable for the performance of the Board's duties and responsibilities.

Management / Management is responsible for the day-to-day management of the Corporation's operations. The Board approves the general goals for the Corporation which management is responsible for meeting.

The Board's main expectations of management are the protection of the Corporation's interests and the long term maximization of the shareholders' investment, while striking a proper balance between the short and medium term goals, as well as the interests of the employees, the customers and the partners of the Corporation.

EXHIBIT C

MANDATE OF THE HUMAN RESOURCES COMMITTEE

1. **Mandate**

The Committee's mandate is to:

- approve or, as the case may be, recommend to the Board of Directors (the "Board") policies regarding human resources management, compensation and ethics;
- review risk identification and management relating to compensation policies and practices and review disclosure in this respect;
- review and recommend to the Board policies and practices on Management compensation including base salary, Short Term Incentive Plan (STIP) and Long Term Incentive Plan (LTIP);
- make recommendations to the Board as to the appointment of the President and Chief Executive Officer and senior executives (Metro Inc. vice-presidents, including the executive and senior vice-presidents);
- review and approve corporate objectives relevant to the President and Chief Executive Officer;
- evaluate the President and Chief Executive Officer's performance with respect to such corporate objectives and make recommendations to the Board regarding his compensation;
- evaluate the performance of the other NEOs and of the members of the management committee, approve their compensation (base salary and STIP) and make recommendations to the Board with respect to LTIP grants;
- review the succession plans for the President and Chief Executive Officer, senior officers and other executives yearly, ensure the follow-up of the action plans and make appropriate recommendations to the Board;
- ensure that the policies and procedures regarding ethical standards governing various transactions and operations conducted by senior executives and managers in general are being applied;
- receive and examine reports regarding pension funds from management and the Corporation's pension committees and, in turn, report on a yearly basis to the Corporation's Board;
- review and approve the executive compensation information to be included in the annual disclosure documents prescribed by legal and regulatory authorities.

2. **Outside advisor**

The Committee has the authority to engage and compensate any outside advisor or consultant that it determines to be necessary to assist the Committee in carrying out its duties. The Committee must pre-approve services, other than services the consultant or outside advisor provides to the Committee, to be rendered by the consultant or outside advisor to the Corporation at the request of management. The Committee may delegate to its Chair the power to pre-approve all services to be provided by the consultant or advisor to the Corporation at the request of management. Nevertheless, the Chair, if this power is delegated to him, must disclose to the Committee, on an informational basis, all such pre-approved decisions at the next Committee meeting.

3. **Composition**

The Committee is made up of at least three (3) members and at most five (5) independent directors. A member of the Audit Committee sits as a member of the Committee.

Each member of the Committee has direct experience that is relevant with human resources and senior management compensation matters.

EXHIBIT D

MANDATE OF THE AUDIT COMMITTEE

1. OBJECTIVES OF THE COMMITTEE AND GENERAL SCOPE OF RESPONSIBILITIES OF THE PARTIES:

1.1 The objectives of the Committee are to review the adequacy and effectiveness of the actions taken by the various parties herein involved to discharge themselves of their responsibilities herein described and to assist the Board in its oversight of:

1.1.1 the integrity of the Corporation's financial statements;
1.1.2 the internal and external auditor qualifications and independence;
1.1.3 the performance of the Corporation's internal audit function and external auditor;
1.1.4 the effectiveness of internal controls;
1.1.5 the Corporation's compliance with legal and regulatory requirements; and
1.1.6 the identification of the material risks that may affect the Corporation and the implementation of appropriate measures to manage such risks.

1.2 Management is responsible for:

1.2.1 the preparation, presentation and integrity of the Corporation's financial statements and for maintaining appropriate accounting policies and internal controls and procedures designed to ensure compliance with accounting standards and applicable laws and regulations; and
1.2.2 identifying the material risks and putting in place appropriate measures allowing to manage such risks.

1.3 The external auditor is responsible for auditing the Corporation's annual financial statements and reviewing the Corporation's quarterly financial statements.

1.4 The internal auditor is responsible, by bringing a systematic and disciplined approach, for evaluating and improving the effectiveness of the Corporation's risk management and control processes.

2. SCOPE OF MANDATE

The responsibilities of the Committee extend to Metro Inc., its subsidiaries and their divisions. In this mandate, the word "Corporation" refers to Metro Inc., its subsidiaries and their divisions.

3. COMPOSITION AND ORGANIZATION

3.1 The Committee is composed of a minimum of three (3) and a maximum of six (6) members of the Board of Directors who are all independent directors. All members must be financially literate.

3.2 At any time, the Committee may communicate directly with the external auditor, the internal auditor or the management of the Corporation.

4. SPECIFIC RESPONSIBILITIES

The Audit Committee must periodically inform the Board about its work and advise it about its recommendations.

4.1 Financial Information

4.1.1 The Committee reviews, before their public disclosure, the audited annual and interim financial statements, the MD&A and all press releases relating to the financial statements.
4.1.2 The Committee reviews with the management of the Corporation and the external auditor the choice of accounting policies and its justification as well as the various estimates made by management which may have a significant impact on the financial position.

4.1.3 The Committee ensures that adequate procedures are in place for the review of the Corporation's disclosure to the public of information extracted or derived from the Corporation's financial statements, other than the information covered by paragraph 4.1.1 hereof, and periodically assesses the adequacy of such procedures.

4.1.4 The Committee reviews, before they are released, any prospectus relating to the issuance of securities by the Corporation, the Annual Information Form and the Management Proxy Circular.

4.2 Internal Control

4.2.1 The Committee verifies that Corporation Management has implemented mechanisms in order to comply with regulations on internal controls and financial reporting.

4.2.2 Every quarter and every fiscal year, the Committee reviews with Corporation Management the conclusions of the work supporting the certification letters to be filed with the authorities.

4.2.3 The Committee reviews with the Corporation Management all material weaknesses and significant deficiencies identified pertaining to internal controls and financial reporting, as well as any fraud, and the corrective measures implemented.

4.3 Internal Audit

4.3.1 The Committee examines the appointment, replacement, reassignment or dismissal of the Senior Director of the Internal Audit Department and reviews the mandate, annual audit plan, and resources of the internal audit function.

4.3.2 The Committee meets the Senior Director of the Internal Audit Department to review the results of the internal audit activities, including any significant issues reported to management by the internal audit function and management's responses and/or corrective actions.

4.3.3 The Committee reviews the performance, degree of independence and objectivity of the internal audit function and adequacy of the internal audit process.

4.3.4 The Committee reviews with the Senior Director of the Internal Audit Department any issues that may be brought forward by him, including any difficulties encountered by the internal audit function, such as audit scope, access to information and staffing restrictions.

4.3.5 The Committee ensures the effectiveness of the coordination between the internal audit and the external audit.

4.4 External Audit

4.4.1 The Committee has the authority and the responsibility to recommend to the Board of directors: i) the appointment and the revocation of any public accounting firm engaged for the purpose of preparing or issuing an audit report, or performing other audit, review or certification services (collectively the "external auditor"); and ii) the compensation of the external auditor.

4.4.2 The external auditor communicates directly with the Committee. The Committee reviews the reports of the external auditors which are sent to it directly. The Committee also monitors all the work performed by the external auditors, its audit plans and the results of its audits.

4.4.3 The Committee discusses with the external auditors, by means of meetings, problems encountered during the audit, including the existence, if applicable, of restrictions imposed by the management of the Corporation or areas of disagreement with the latter about the financial information and ensures that such disagreements are resolved.

4.4.4 The Committee, or one or more of its members to whom it has delegated authority, pre-approves non-audit services that are assigned to the external auditors. The Committee may also adopt policies and procedures concerning the pre-approval of non-audit services that are assigned to the external auditors. It monitors the fees paid with respect to such mandates.

4.4.5 The Committee makes sure that the external auditor has obtained the cooperation of the employees and officers of the Corporation.

4.4.6 The Committee examines the post-audit letter or the recommendation letter of the external auditor as well as the reactions of management and management's response to the deficiencies observed.

4.4.7 The Committee examines the qualifications, performance and independence of the external auditor and ensures that the audit report accompanying the financial statements is issued by an audit firm that is a participant in the program of the Canadian Public Accountability Board and that the firm respects any sanctions and restrictions imposed by this Board. The Committee takes into account the opinions of management and the Corporation's internal auditor in assessing the qualifications, performance and independence of the external auditor.

4.4.8 The Committee reviews and approves the Corporation's hiring policy concerning (current and former) partners and (current and former) employees of the (current and former) external auditor.

4.4.9 At least, once a year, the external auditor reports to the Committee about: i) the external auditor's internal quality-control procedures; ii) its inscription as a duly registered participant of the Canadian Public Accountability Board ("CPAB") and whether it holds proper authority to audit Canadian issuers; and iii) the evaluation of the quality of its work via an in camera session with the Quebec Managing Partner or his representative.

4.5 Miscellaneous

4.5.1 The Committee establishes procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and to preserve confidentiality and the protection of the anonymity of persons who may file such complaints.

4.5.2 The Committee has the authority to engage any advisor it deems necessary in order to help it in the performance of its duties, and to set the compensation of such advisor as well as to obtain from the Corporation the funds necessary to pay such compensation.

4.5.3 The Committee analyses the conditions surrounding the departure or appointment of the officer responsible for finance and any other key financial executive who participates in the financial information process.

4.6 Compliance with legal and regulatory requirements

4.6.1 The Committee reviews the reports received from time to time regarding any material legal or regulatory issues that could have a significant impact over the Corporation's business.

4.7 Risk Management

4.7.1 The Committee reviews the material risks identified by Corporation Management. The Committee examines the effectiveness of the measures put in place to manage these risks by questioning the management of the Corporation regarding how risks are managed as well as obtaining opinions from management regarding the degree of integrity of the risk mitigation systems and acceptable thresholds.

4.7.2 The Committee reviews on a regular basis the management policies regarding material risks recommended by Corporation Management and obtains from the management of the Corporation on a regular basis reasonable assurance that the Corporation's risk management policies for material risks are being adhered to. The Committee also reviews reports on material risks, including financial hedging activities and environment.

EXHIBIT E

MANDATE OF THE CORPORATE GOVERNANCE AND NOMINATING COMMITTEE

1. Corporate Governance

The Committee develops and monitors Company policy on corporate governance. The Committee ensures the Company's strict compliance with the corporate governance guidelines and standards of the legislative and regulatory authorities.

The Committee prepares the Company's Statement of Corporate Governance Practices for annual disclosure as required by the legislative and regulatory authorities.

Each year, the Committee assesses the effectiveness of the Board and its committees with respect to their mandate.

The Committee makes recommendations to the Board on directors' compensation based on their involvement, duties, and the risks they assume and on the best Canadian practices. The Committee is also charged with regularly reviewing the indemnification procedure regarding directors' liability and directors' liability insurance coverage.

The Committee is also responsible for developing and providing an orientation and education program for new directors as well as a continuing education program for all directors. The program covers, among other things, the nature of the Company's operations, its strategy and what it expects from the directors.

The Committee oversees the application of the code of ethics to the directors.

The Committee ensures that the policy on communications to shareholders and the general public is updated as needed and that Company Management discharges its responsibilities under the policy.

Lastly, the Committee receives and rules on requests of directors seeking to engage outside advisers at the Company's expense.

2. Candidates

The Committee's mandate also includes recommending candidates to the Board for election as directors of the Company by seeking persons who have the required knowledge, experience, integrity and availability and who meet the selection criteria set from time to time by the Committee to fill the position of director. The Committee also considers the competencies and skills the Board, as a whole, should possess and the competencies and skills each existing director possesses.

Any director who does not intend to stand in the election of directors to be held at the Annual Meeting of Shareholders must advise in writing the Committee about his decision prior to September 1st of any given year or any other date the Committee may decide.

The Committee also recommends to the Board candidates for the various Board committees.

3. Outside advisor

The Committee has the authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.

4. Composition

The Committee is made up of at least three (3) independent directors appointed by the Board. The Committee members are appointed by the Board of Directors.

EXHIBIT F

LIST OF COMPETENCIES AND EXPECTATIONS OF DIRECTORS

The directors of Metro Inc., who represent a variety of business sectors, must each have the necessary competencies to promote the interests of all the shareholders of the Corporation and ensure that the Board of Directors works effectively and productively. This document constitutes a non-exhaustive list of the personal competencies and values which the directors of the Corporation should demonstrate as well as of the expectations with respect to such directors.

1. **BACKGROUND AND EXPERIENCE** The directors of the Corporation must have superior experience, knowledge, competencies and a background which will allow them to make a significant contribution to the Corporation's Board of Directors and its committees.

2. **INTEGRITY AND ACCOUNTABILITY** The directors of the Corporation must show integrity and respect the highest ethical and fiduciary standards, in particular those set forth in the code of ethics of the Corporation's directors.

3. **KNOWLEDGE** The directors of the Corporation must have the appropriate knowledge to fulfill their duties well. Specifically, they must fully understand their role and duties and be able to read financial statements as well as understand the use of financial ratios and other measures of the Corporation's performance. They must also continually expand their knowledge of the Corporation's operations and the major trends in the business sector in which the Corporation operates.

4. **CONTRIBUTION** The directors of the Corporation must significantly contribute to the proceedings and work of the Board and its committees including by expressing their point of view in an objective, logical and persuasive manner. They must be able to propose new ideas while keeping in mind the strategies of the Corporation and objectives that it must achieve.

5. **TEAMWORK** The directors of the Corporation must work as a team in an effective and productive manner. They must show respect for others, specifically by listening to and taking the points of view of others into consideration.

6. **AVAILABILITY, PREPARATION AND ATTENDANCE AT MEETINGS** The directors of the Corporation must be sufficiently available to fulfill their role properly. They must also adequately prepare themselves for all meetings of the Board and its committees and attend such meetings, except in exceptional circumstances.

7. **ADVICE** The directors of the Corporation must exercise judgment based on sound information and solid reasoning as well as be able to provide wise and thoughtful advice on a wide range of issues.

8. **VISION AND STRATEGY** The directors of the Corporation must always act in the best interests of the Corporation, of all its shareholders and all its stakeholders. To do so, they must have perspective and be able to think strategically. They must be able to anticipate future consequences and trends.

EXHIBIT G

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Canadian Securities Administrators Corporate Governance Guidelines	Observations
BOARD OF DIRECTORS 1. The board should have a majority of independent directors.	1. The Board of Directors is currently comprised of a majority of independent directors, in that out of the 14 directors currently serving on the Board of Directors, 11 are considered independent directors. In order to determine if a director is independent, the Board of Directors reviews information provided by the directors or the nominees in a questionnaire which is annually handed to them. The independent directors are: Mesdames Marie-José Nadeau and Paule Gauthier and Messrs. Marc DeSerres, Claude Dussault, Paul Gobeil, Russell Goodman, Christian W.E. Haub, Michel Labonté, Réal Raymond, Michael T. Rosicki and John H. Tory. Mr. Pierre H. Lessard cannot be considered independent because he held the position of Executive Chair of the Board in the past years. Mr. Eric R. La Flèche cannot be considered independent because he holds a senior executive position with the Corporation. Mr. Serge Ferland cannot be considered independent because he is a shareholder and an executive of companies which own food stores operating under the Metro banner and therefore carries a business relationship with the Corporation. If, following the Meeting on January 28, 2014, the nominees proposed by the Corporation are elected, the Board of Directors will continue to be comprised of a majority of independent directors, in that 12 of the 15 proposed nominees are independent directors, namely the 11 nominees' hereinabove mentioned and Mrs. Line Rivard. A record of attendance of each director at Board of Directors and Committee meetings held since the beginning of the Corporation's most recently completed financial year is included on page 14 of this Circular.
2. If a director is presently a director of any other reporting issuer, identify both the director and the other issuer.	2. The information pertaining to the directors who serve on the board of another reporting issuer can be found on pages 4 to 12 of this Circular.
3. The chair of the board should be an independent director.	3. Given that the Chair of the Board of Directors is not an independent director, and in order to ensure that the Board of Directors performs in accordance with the best corporate governance practices, the

Canadian Securities Administrators Corporate Governance Guidelines	Observations
	directors have chosen from among their group an independent Lead Director. Mr. Réal Raymond has been holding this position since January 26, 2010. The role and responsibilities of the Chair of the Board of Directors as well as those of the Lead Director are described in Exhibits H and I to this Circular.
4. The independent directors should hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance.	4. At the end of each Board of Directors' meeting, a meeting of independent directors, which is chaired by the Lead Director, takes place.
BOARD MANDATE 5. The board should adopt a written mandate in which it explicitly acknowledges responsibility for the stewardship of the issuer.	5. The Board of Directors has adopted a written mandate in which it acknowledges its stewardship responsibility. The text of said mandate can be found in Exhibit B to this Circular.
POSITION DESCRIPTIONS 6. The board should develop clear position descriptions for the chair of the board and the chair of each board committee. In addition, the board should develop a clear position description for the president and CEO. The board should also develop or approve the goals and objectives that the president and CEO must meet.	6. The Board of Directors has adopted a written mandate for the position of Chair of the Board of Directors, the text of which is included in Exhibit H to this Circular. The Board of Directors has also adopted a mandate for the position of Lead Director, the text of which is included in Exhibit I to this Circular, as well as a mandate for the Chair of each Board committee, the text of which is included in Exhibit J to this Circular. The mandate of the President and Chief Executive Officer is described in the Corporation's By-Laws. The President and Chief Executive Officer reports to the Board of Directors and his responsibilities include: directing and managing all of the Corporation's business, subject however to the powers vested exclusively to the Board of Directors or its shareholders; without limiting the generality of the foregoing, establishing the objectives, action plans, policies and strategies of the Corporation and its subsidiaries and, with the approval of the Board of Directors, implementing same, and; performing all other tasks which may be assigned to him from time to time by the Board of Directors of the Corporation. At the beginning of every year, the Human Resources Committee approves the objectives for each NEO, and ensures to follow up on same.

Canadian Securities Administrators Corporate Governance Guidelines	Observations
ORIENTATION AND CONTINUING EDUCATION 7. The board should ensure that all new directors receive a comprehensive orientation. All new directors should understand the nature and operation of the issuer's business. The board should provide continuing education opportunities for all directors.	7. There is a training program intended for new members of the Board of Directors. Pursuant to this program, the new directors are provided with reports on the Corporation's business operations and internal affairs. The new directors meet with the Chair of the Board of Directors and the President and Chief Executive Officer to discuss the operations of the Corporation and the Corporation's expectations towards each director. The Chair of the Board of Directors also informs new directors about the Corporation's corporate governance practices and, in particular, the role of the Board of Directors, its committees and each director. This program also allows new directors to visit the Corporation's main facilities and meet the executive officers. The Corporation acknowledges that a board of directors' good performance stems from directors who are well informed; as such, the Corporation provides each director with a handbook that contains relevant documentation and information about the Corporation, including the Information Policy and the Directors' Code of Ethics. At each meeting of the Board of Directors, the directors have the opportunity to hear presentations given by executive officers on various topics regarding the Corporation's operations. The directors also take part, at least once a year, in organized visits of the Corporation's facilities and food stores. On a yearly basis, the Corporate Governance Committee reviews and suggests matters upon which information sessions for Board members would be appropriate. Board members also have the opportunity to share their interest in that regard. This year, one (1) of the information sessions which took place pertained to digital marketing trends and their impact on retail business, which allowed Board members to better understand how the Corporation could position itself with respect to the evolution of such trends. Board members and executives attended a strategic planning session which also took place this year. Senior management of the Corporation also gave a presentation regarding labour relations to directors. The Corporation ensures that all directors are members of the Institute of Corporate Directors ("ICD"). The ICD is a member-based organization regrouping a community of directors in Canada and offering educational and training activities.

Canadian Securities Administrators Corporate Governance Guidelines	Observations
BUSINESS ETHICS 8. The board should adopt a written code of business conduct and ethics. The code should be applicable to directors, officers and employees of the issuer.	8. The Board of Directors has adopted a code of ethics for directors (the “Directors’ Code of Ethics”) and a code of ethics for executives and employees entitled ”Policy on Conflicts of Interest and Professional Ethics” (the ”Employees’ Code of Ethics”). These codes are available on the SEDAR Website (www.sedar.com) and on the Corporation’s Website (www.metro.ca). These codes address the elements recommended in Policy Statement 58-201 to Corporate Governance Guidelines of the Canadian Securities Administrators (“Policy Statement 58-201”). The Board has also adopted a “Director Resignation Policy” which requires a director to offer his resignation to the Chair of the Board of Directors, same being subject to the approval of the Board of Directors, in the event that: i) he no longer meets the legal requirements or those set forth by the Board of Directors; or ii) there is a material change in his functions, responsibilities or tasks; or iii) he has breached or noted a potential breach to the Directors’ Code of Ethics. Finally, the Board of Directors has adopted a policy forbidding employees and directors of the Corporation from short selling, directly or indirectly, Corporation’s Shares or Options or trading in put or call options, as well as an executive compensation clawback policy (for more details on these policies, please refer to the “Other Key Compensation Policies of the Corporation” section on page 40 of this Circular).
9. The board should be responsible for monitoring compliance with the code of ethics. Any waivers from the code that are granted for the benefit of the issuer’s directors or executive officers should be granted by the board (or a board committee) only.	9. The Corporate Governance Committee is responsible for overseeing compliance with the Directors’ Code of Ethics. This committee is also responsible for reviewing the Directors’ Code of Ethics to make sure that it is up to date and that it covers all regulatory requirements and corporate governance matters. The Human Resources Committee is responsible for overseeing compliance with the Employees’ Code of Ethics applicable to senior executives. The Corporation’s Vice-President, Human Resources, makes recommendations to the Human Resources Committee whenever the Corporation’s senior management deems that amendments need to be made to the Employees’ Code of Ethics. Furthermore, every year, or otherwise when needed, she reports to the Human Resources Committee on any non-compliance with the Employees’ Code of Ethics by senior executives of the Corporation. No waivers have been sought for directors or senior executives and there are no breaches to report in this respect.

Canadian Securities Administrators Corporate Governance Guidelines	Observations
10. The board must ensure that directors exercise independent judgment in considering transactions and agreements in which a director or executive officer has a material interest.	10. The Directors' Code of Ethics provides that: "every director must avoid situations involving a conflict of interest between his or her personal interests and his or her obligations as a director. Every director must disclose to the board any direct or indirect interest in any organization, business or association that could place the director in a conflict of interest. A director should not participate in any discussion or decision relating to the organization, business or association in which he or she has such an interest. The director should also withdraw from the meeting for the duration of any discussions and votes on the matter." The Directors' Code of Ethics further provides that: "any transaction outside the ordinary course of business between a director and the Corporation must be submitted to the Corporate Governance and Nominating Committee for its prior approval. If a member of the Committee is concerned, that member should be excluded from the Committee's proceedings and the discussions relating to the matter". Moreover, the Employees' Code of Ethics applicable to executives specifies that: "all executives and employees must avoid placing themselves in situations of conflict of interest. Furthermore, their private interests must not conflict with their duties". Every year, the directors and senior executives of the Corporation must declare all conflicts of interest in a questionnaire, and must furthermore notify the Corporation of any subsequent change in their situation. The Corporation's Vice-President, General Counsel and Corporate Secretary, reviews the directors' questionnaires and reports back to the Corporate Governance Committee about all actual or potential breach of the Directors' Code of Ethics regarding conflicts of interest. The Corporation's Vice-President, Human Resources, executes the same duties with respect to actual or potential conflicts of interest of any senior executives by informing, whenever necessary, the Human Resources Committee.

Canadian Securities Administrators Corporate Governance Guidelines	Observations
11. The board must take steps to encourage and promote a culture of ethical business conduct.	11. The rules of conduct applicable to employees found in the Employees’ Code of Ethics specify, *inter alia*, that all executives and employees must act with care, honesty, diligence, efficiency, commitment, loyalty and fidelity in order to ensure that the Corporation maintains a reputation of quality, dependability and integrity. The Employees’ Code of Ethics also requires that employees perform their duties in the best interest of the Corporation and its shareholders while respecting human rights and the law. In addition, not only does the Employees’ Code of Ethics incites employees to avoid all conflicts of interest throughout their work but said code also incites them not to accept gifts unless same qualifies as a business practice defined in the Employees’ Code of Ethics. When hired, all employees must sign a form pursuant to which they acknowledge having read the Employees’ Code of Ethics and undertake to comply with same. They must also sign a disclosure of private interests form, which is updated on a regular basis. All new candidates to the position of director receive a copy of the Directors’ Code of Ethics, acknowledge in writing that they have read and understood said Code of Ethics and undertake to respect same. The list of competencies and expectations of directors provides that the directors of the Corporation must act with integrity and respect the highest ethical and fiduciary standards.
NOMINATION OF DIRECTORS 12. The board should appoint a nominating committee composed entirely of independent directors.	12. The Corporate Governance Committee is responsible for recommending nominees to the Board of Directors for the position of directors of the Corporation. The committee is comprised of five (5) directors, all of whom are independent.
13. The nominating committee should have a written charter that clearly establishes the committee’s purpose, responsibilities, member qualifications, member appointment and removal, structure, operations and manner of reporting to the board. In addition, the nominating committee should be given authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.	13. The Board of Directors has adopted a mandate for the Corporate Governance Committee as well as an administrative resolution governing the procedure of all committees. Said committee, pursuant to these documents, carries all of the responsibilities recommended in Policy Statement 58-201, and its mandate further provides that it has the authority to retain the services of an external advisor, if need be. For further details, the text of the Corporate Governance Committee’s mandate is included in Exhibit E to this Circular.

Canadian Securities Administrators Corporate Governance Guidelines	Observations
14. Prior to nominating or appointing individuals as directors, the board should adopt a process involving the following steps: consider what competencies and skills the board, as a whole, should possess and assess what competencies and skills each existing director possesses.	14. The Board of Directors has established and adopted the “List of competencies and expectations of Directors”, the text of which is included in Exhibit F to this Circular. The Corporate Governance Committee ensures that the choice of nominees takes into account the competencies and skills that the Board of Directors should overall possess, and reports back to the Board of Directors accordingly. The Corporate Governance Committee has also set forth a list of the competencies and experience of the directors currently serving on the Board of Directors. The main competencies and experience of each director can be found in the table describing the nominees for the position of director of the Corporation on pages 5 to 12 of this Circular.
15. The board should also consider the appropriate size of the board, with a view to facilitating effective decision-making by the board.	15. The Board of Directors examines its size on a yearly basis. Regarding the up coming year, the Board of Directors has concluded that it would be efficient with 15 members, such number being sufficiently high so as to allow a diversity of point of views without hindering its efficiency.
16. The nominating committee should be responsible for identifying individuals qualified to become new board members and recommending to the board the new director nominees for the next annual meeting of shareholders.	16. The Corporate Governance Committee is responsible for identifying and recommending to the Board of Directors new nominees for the position of director. As such, the committee maintains an “evergreen” list of potential nominees. Prior to the selection of any new nominee for the position of director, the Chair of the Board of Directors, the President and Chief Executive Officer and the Chair of the Corporate Governance Committee meet with the potential nominee in order to evaluate his competencies and independence.
17. In making its recommendations, the nominating committee should consider the competencies and skills that the board considers to be necessary for the board, as a whole, to possess and those that the board considers each existing director and new nominee to possess.	17. The Corporate Governance Committee ensures that the Board of directors possesses all of the required competencies and skills. It also ensures that all nominees for the position of director possess all required competencies and skills to complete the Board’s team and carry out its mandate efficiently.
COMPENSATION 18. The board should appoint a compensation committee composed entirely of independent directors.	18. The Human Resources Committee is comprised of five (5) directors, all of whom are independent.

Canadian Securities Administrators Corporate Governance Guidelines	Observations
19. The compensation committee should have a written charter that establishes the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure, operations and the manner of reporting to the board. In addition, the compensation committee should be given authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.	19. The Board of Directors has adopted a mandate for the Human Resources Committee as well as an administrative resolution governing the procedure of all committees. Said committee, pursuant to these documents, carries all of the responsibilities recommended in Policy Statement 58-201, and its mandate further provides that it has the authority to retain the services of an external advisor, if need be. For further details, the text of the Human Resources Committee's mandate is included in Exhibit C to this Circular.
20. The compensation committee should be responsible for: reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives, and determining (or making recommendations to the board with respect to) the CEO's compensation level based on this evaluation; making recommendations to the board with respect to non-CEO officer compensation, incentive-compensation plans and equity-based plans and reviewing executive compensation disclosure before the issuer publicly discloses this information.	20. These responsibilities are specified in the Human Resources Committee's mandate. The "Executive Compensation" section, which can be found on pages 20 to 40 of this Circular, indicates the manner in which the Human Resource Committee performs its task. The directors' compensation is recommended to the Board of Directors by the Corporate Governance Committee. Such recommendation is based on the compensation paid to directors of the companies included in the reference group, the directors' involvement, their responsibilities and the risks which they assume, as well as the best practices in Canada.
21. If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.	21. The Human Resources Committee has retained the services of PCI-Perrault Conseil Inc. A description of PCI-Perrault Conseil Inc.'s mandate can be found in the "External Compensation Consultant" section on page 21 of this Circular.
OPERATIONS OF THE BOARD OF DIRECTORS 22. Identify the standing committees of the board other than the audit, nominating and compensation committees, and describe their function.	22. The standing committees of the Board of Directors are: the Human Resources Committee, the Audit Committee and the Corporate Governance Committee. The texts of these committees' mandates are included in Exhibit C, D and E to this Circular.

Canadian Securities Administrators Corporate Governance Guidelines	Observations
23. The board, its committees and each individual director should be regularly assessed regarding his, her or its effectiveness and contribution.	23. The Corporate Governance Committee is responsible for overseeing the Corporation's corporate governance matters. Said committee assesses on a yearly basis the effectiveness of the Board of Directors, of its committees and of each of its members using a questionnaire which is distributed to each director, and submits its conclusions to the Board of Directors. Every year, said committee ensures that the mandate of each committee of the Board of Directors is carried out. The committee's assessment also pertains to the manner in which the Chair of the Board of Directors and the Chairs of each committee fulfill their duties. The individual assessment of each member of the Board of Directors consists of a two-part questionnaire completed by each director. The first part consists of a performance analysis by each director of the Board of Directors and the directors and the second part consists of a self-assessment. This assessment is completed and followed by meetings between the Chair of the Board of Directors and each director. The results of this analysis are reviewed by the Corporate Governance Committee. The Corporate Governance Committee Chair submits a complete report of said analysis results to the Board of Directors and, in light of the foregoing, the Corporate Governance Committee and the Board of Directors assess the effectiveness and/or the need for change in the composition of the Board of Directors and its committees or with respect to their Chairs. Following the Corporate Governance Committee and the Board of Directors' analysis of the above mentioned report, management is advised of the relevant recommendations for improvements, in particular with respect to training and development of programs for directors, which require its involvement.

EXHIBIT H

MANDATE OF THE CHAIR OF THE BOARD OF DIRECTORS

The mandate of the Chair of the Board of Metro Inc. (the "Corporation") sets out the responsibilities of the Chair of the Board and what is expected of him. These responsibilities and expectations are in addition to the Chair of the Board's responsibilities pursuant to legislation. The Chair of the Board shall also have the responsibilities and powers assigned to the Chair of the Board pursuant to the Corporation's articles and by-laws as well as those which may be specifically assigned to the Chair of the Board from time to time by the Board of Directors.

The Chair of the Board of the Corporation has the following responsibilities:

Effectiveness of the Board

The Chair:

- ensures that the members of the Board of Directors work as a team, in an effective and productive manner, and demonstrates the necessary leadership to achieve this objective;
- ensures that the Board of Directors has the administrative support necessary to perform its work;
- ensures that the directors receive the appropriate information to perform their duties.

Management of the Board

The Chair:

- ensures that the Board of Directors fulfills its mandate;
- chairs the meetings of the Board of Directors and those of the external directors;
- establishes with the President and Chief Executive Officer the agenda for each meeting of the Board of Directors;
- takes the necessary measures so that the meetings of the Board of Directors are effective and productive and that an appropriate period of time is set aside to study and consider each item on the agenda;
- Once the potential nominees for the position of director of the Corporation have been identified by the Corporate Governance and Nominating Committee, meets with such nominees to explore their interest and aptitude to sit on the Corporation's Board of Directors;
- meets with all Board members and seeks their feedback on Board and committee effectiveness and other matters;
- When deemed appropriate, attends the meetings of Board committees and provides comments and advice to members of these committees, as needed.

Senior executives, shareholders and other stakeholders of the Corporation

The Chair:

- fosters a strong working relationship between the Board of Directors and senior management. Specifically, the Chair periodically meets with the President and Chief Executive Officer to discuss issues relating to governance and the Corporation's results, and keeps the President and Chief Executive Officer informed of any comments and advice of directors;
- chairs meetings of shareholders;

- Together with the President and Chief Executive Officer, fosters strong relationships between the Corporation and key stakeholders including investors and shareholders;
- ensures that the Board participates in the strategic development of the Corporation.

EXHIBIT I

MANDATE OF THE LEAD DIRECTOR

The mandate of the Lead Director of Metro Inc. sets out the responsibilities of the Lead Director and what is expected of him. These responsibilities and expectations are in addition to the Lead Director's responsibilities pursuant to the legislation as well as those which may be assigned to him from time to time by the Board of Directors of Metro Inc.

The Lead Director of Metro Inc. has the following responsibilities:

- The Lead Director provides independent leadership to the Board of Directors to ensure that the Board functions independently of management of the Corporation;

- The Lead Director works with the Chair of the Board to facilitate the proper functioning and effectiveness of the Board of Directors;

- The Lead Director presides the meetings of independent directors;

- The Lead Director serves as communication channel between the independent directors and the Chair of the Board of Directors and senior management;

- The Lead Director brings support to the Corporate Governance and Nominating Committee in the process of assessing the effectiveness of the Board of Directors.

EXHIBIT J

MANDATE OF COMMITTEE CHAIRS

The mandate of the chairs of Metro Inc. Board committees sets out the responsibilities of each committee chair and what is expected of him. The chair of a committee has the following responsibilities:

EFFICIENCY OF THE COMMITTEE

- the Chair ensures that the members of the committee work as a team, in an effective and productive manner, and demonstrates the necessary leadership to achieve this objective;
- the Chair ensures that the committee has the administrative support necessary to perform its work;
- the Chair ensures that the directors receive the appropriate information to perform their duties.

MANAGEMENT OF THE COMMITTEE

- the Chair ensures that the committee fulfills its mandate;
- the Chair chairs the meetings of the committee;
- the Chair establishes with the Chair of the Board and the President and Chief Executive Officer the agenda for each meeting of the committee;
- the Chair takes the necessary measures so that the meetings of the committee are effective and productive and an appropriate period of time is set aside to study and consider each item on the agenda;
- each committee Chair periodically provides the Board with a report on the work and all the decisions or recommendations of the committee.

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